



085009 - Swiss Reinsurance Company Ltd

Report Revision Date: 01/17/2017

Rating and Commentary ¹	Financial ²	General Information ³
Best's Credit Rating: 12/16/2016 Rating Rationale: 12/16/2016 Report Commentary: 01/17/2017	Time Period: Annual - 2016 Last Updated: 05/04/2017 Status: Quality Cross Checked	Corporate Structure: N/A States Licensed: N/A Officers and Directors: 04/28/2016
 Best's Credit Rating Methodology	Disclaimer	 Best's Rating Guide

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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

Ultimate Parent: [Swiss Re Ltd](#)

Swiss Reinsurance Company Ltd

Schweizerische Rückversicherungs-Gesellschaft AG

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AMB #: 085009

Ultimate Parent #: [058838](#)

NAIC #: N/A

AIIN#: AA-1460146

Best's Credit Ratings

Best's Financial Strength Rating: A+

Outlook: Stable

Best's Issuer Credit Rating: aa-

Outlook: Stable

Rating Effective Date: 12/16/2016

Financial Size Category: XV

Report Revision Date: 01/17/2017

Rating Rationale

The following text is derived from A.M. Best's consolidated Credit Report on Swiss Reinsurance Company Ltd (AMB# 085010).

Rating Rationale: The ratings reflect the Swiss Re group's (Swiss Re) excellent consolidated risk-adjusted capitalisation, strong operating performance and superior business profile as a leading global reinsurer.

Risk-adjusted capitalisation is expected to remain excellent. The group has been able to return capital to investors in recent years due to strong internal capital generation. Excellent access to capital markets enhances the group's financial flexibility.

The group's five-year (2001-2015) underwriting track record is strong, led by outperformance in its Property & Casualty Reinsurance segment. Good technical profit is also expected for 2016 in this division, subject to catastrophe experience in the remainder of the year. However, A.M. Best expects the full year 2016 combined ratio to be higher than in 2015 in line with the results reported for the first nine months of the year. The expected increase primarily reflects lower expected favourable reserve developments and higher catastrophe losses. The Life & Health Reinsurance segment is expected to meet its performance target of a return on equity of between 10% and 12% as it did in 2015, following the completion of a number of corrective actions taken on underperforming U.S. portfolios.

The ratings also reflect Swiss Re's position as a leading global reinsurer, which is underpinned by a wide product offering and a worldwide distribution system. The group's Reinsurance segment is well-diversified by line of business and geography. Moreover, the group's product offering is enhanced by the primary non-life insurance business underwritten by its Corporate Solutions division, as well as by the primary life and health closed and open book capabilities of its Life Capital business division, which includes its Admin Re business.

The group's superior business profile and strong relationships with reinsureds allow it to write private deals and contracts on differentiated terms, which offer protection against competition from alternative capital providers. Large and tailored private transactions have supported growth in gross premiums in 2016, with gross written premiums for Swiss Re's Property & Casualty Reinsurance segment increasing by 14% in the first nine months of 2016.

A positive rating action could follow if the Swiss Re group maintains its strong rating fundamentals, including strong consolidated risk-adjusted capitalisation and strong performance, through the depressed phase of the reinsurance cycle.

Rating Rationale (Continued...)

A negative rating action could follow if the Swiss Re group's operating performance and risk-adjusted capitalisation consistently fall below A.M. Best's expectations.

In addition, a negative rating action could follow a sudden material fall in risk-adjusted capitalisation for the Swiss Re group, for instance, as the result of an unexpectedly large catastrophe loss, if A.M. Best did not believe that capitalisation would be restored to a level supportive of the ratings over a short time period.

Five Year Rating History

Date	BEST'S	
	FSR	ICR
12/16/2016	A+	aa-
12/11/2015	A+	aa-
11/06/2014	A+	aa-
01/31/2014	A+	aa-
01/23/2013	A+	aa-
12/20/2011	A+	aa-

Business Profile

The following text is derived from A.M. Best's consolidated Credit Report on Swiss Reinsurance Company Ltd (AMB# 085010).

Swiss Reinsurance Company Ltd is the main operating entity of the Swiss Re group, which is a leading and highly diversified global reinsurance group, operating through more than 60 offices in over 20 countries. The group provides reinsurance, commercial insurance and financial services throughout the world through three business segments. Effective 1 January 2016, the business segments are Reinsurance, Corporate Solutions and Life Capital. The group writes commercial insurance business for large and medium sized corporations through the Corporate Solutions segment. Life Capital comprises Admin Re, which focuses on closed books of in-force life and health insurance business either through acquisitions or reinsurance, as well as elipsLife and iptiQ, which write group and individual primary life and health insurance. Prior to 2016, the third business segment comprised only Admin Re.

The group's Reinsurance segment includes both property/casualty and life/health reinsurance. The group is a global leader in this segment with a particularly strong profile in property/casualty reinsurance and mortality life reinsurance. It has a reputation for innovative reinsurance and risk management solutions. The group's superior business profile and strong relationships with reinsureds allow it to write private deals and contracts on differentiated terms. Swiss Re is also a leader in the insurance-linked securities (ILS) market, which continues to see strong activity.

Swiss Reinsurance Company Ltd is the group's main operating entity within the Reinsurance segment. Swiss Re Asia Ltd (formerly European Reinsurance Co Zurich), Swiss Re Europe S.A., Swiss Re Life & Health America and Swiss Reinsurance America Corp also primarily write business within this segment.

The Swiss Re group's largest book of business remains property/casualty reinsurance, accounting for just over 50% of net earned premium (NEP) in 2015. Traditional property and traditional casualty reinsurance business comprised 40% and 44% of NEP for this segment respectively (compared to 43% and 41% respectively for 2014), with specialty reinsurance business accounting for the remaining 16% in 2015. The Swiss Re group achieved growth in the first half of 2016 in P&C Reinsurance, with NEP growing by 11% on first half 2015. The growth was driven by large transactions in the US and Europe, and should be seen in light of declining premium rates for open market business. The increase in net written premiums was stronger at 16% and was entirely accounted for by growth in casualty business. In March 2016, AIG announced a two year reinsurance deal with Swiss Re under which Swiss Re will take an undisclosed share of AIG's new and renewing US casualty book.

Life & health reinsurance accounted for 37% of NEP at year-end 2015, with life business representing 65% of this amount and health business the remaining 35%. The group has a particularly strong profile in the mortality life insurance market. The Life & Health Reinsurance segment also achieved strong growth in the first half of 2016 at around 11% of NEP, supported by a new large transaction in the first quarter of 2016 and other transactions in late 2015.

The Corporate Solutions segment offers commercial insurance products and risk management solutions to large multi-national corporations in particular on excess layers. The segment accounted for approximately 11% of the group's NEP in 2015. The group has achieved growth in recent years in this segment, despite competition from established direct insurers. In 2015 NEP declined by around 2% (compared to an increase of 18% in 2014), although based on constant exchange rates the segment grew by 2%. NEP was stable in the first half of 2016.

Swiss Re Corporate Solutions Ltd is the operating holding company for the entities writing business within the Corporate Solutions business segment. In addition, Swiss Re International SE, Westport Insurance Corp., North American Elite Insurance, First Specialty Insurance Corp., North America Capacity Insurance, North American Specialty Insurance, and Washington International Insurance Company primarily write business within this segment.

Effective 1 January 2016, the group's third business segment comprises Admin Re, Elips Life AG (elipsLife) and various entities writing direct individual life insurance business under the iptiQ brand, including iptiQ Life S.A. Prior to 2016 Admin Re comprised the third business segment on its own. Through Admin Re the group offers solutions and services for closed blocks of life business or run-off life portfolios. Admin Re accounted for 1% of NEP in 2015.

In 2015, it was announced that Admin Re will buy Guardian Financial Services for GBP 1.6 billion. The acquisition closed early in 2016. The acquisition adds 0.9 million policies, bringing Admin Re's policy count to around 4 million. In June 2014, Admin Re entered into a transaction to acquire over 400,000 individual and group pension and related annuity policies and GBP 4.2 billion in unit-linked assets from HSBC Life (UK) Limited. The transaction closed in 2015. The two deals followed a period of low deal activity (with only one deal executed between 2008 and 2014) and have affirmed Swiss Re's commitment to this business.

The Life Capital segment also comprises the smaller entities of elipsLife, which writes primary group life and health business and iptiQ, which writes primary individual life and health business. These entities are currently very small, but represent the group's strategic interest in writing primary life business in certain defined segments to complement its reinsurance business.

Business Profile (Continued...)

The Americas was Swiss Re's largest geographical area in 2015, accounting for 44% of NEP and fee income, with Europe, the Middle East and Africa accounting for 34% of NEP and fee income, and Asia-Pacific generating the remaining 22%.

Swiss Re sees significant growth potential in high growth markets, particularly in China, India, Indonesia, Mexico, Brazil and Sub-Saharan Africa.

Operating Performance

The following text is derived from A.M. Best's consolidated Credit Report on Swiss Reinsurance Company Ltd (AMB# 085010).

Operating Results: The Swiss Re group has reported very strong results in recent years, with post-tax profits of USD 4.6bn in 2015, USD 3.5bn in 2014, USD 4.4bn in 2013 and USD 4.2bn in 2012. The main divisions all contributed positively to the results in these years.

Performance has been particularly strong in property/casualty reinsurance, where the group has outperformed its peers. Performance has benefited from reserve releases and benign catastrophe experience in recent years. The current depressed phase of the reinsurance pricing cycle and a return to more normal catastrophe experience is likely to reduce profitability over the next few years. However, A.M. Best expects the Swiss Re group to continue to maintain its advantage over peers and to report good results.

Other business divisions, Life & Health Reinsurance, Corporate Solutions and Life Capital are expected to continue to contribute positively to the group's overall result. Performance in Life & Health Reinsurance has been affected by some underperforming U.S. portfolios in recent years. However, the group has put measures in place to improve the performance, and the division met its performance target of 10%-12% return on equity in 2015.

The Swiss Re group has achieved post-tax profits since 2008, when a loss of CHF 864 million was reported, reflecting unprecedented investment losses and further write-downs in its structured credit default swap portfolio.

Underwriting Results

Underwriting Results: The Swiss Re group's property/casualty underwriting results have been solid over the past five years. Particularly strong performance over the period 2012-2015 was due in part to below average catastrophe experience and positive prior year reserve development.

Performance for the Property & Casualty Reinsurance and Corporate Solutions segments remained strong in 2015, reflecting below average catastrophe experience and continued positive reserve developments. The group reported a combined ratio of 86% (as per Swiss Re's calculation of the combined ratio) for the Property & Casualty Reinsurance segment and 94% for the Corporate Solutions segment.

Prospective performance, including for 2016, is expected to remain good, although profitability is expected to decline compared to the very good years of 2012-2015, reflecting more normal catastrophe experience, lower favourable prior year reserve development and softer reinsurance pricing. Prospective performance remains subject to volatility due to exposure to catastrophe business.

Swiss Re's property/casualty underwriting made a small loss in 2011. This result included losses from the multiple worldwide catastrophes during the year including the Japan earthquake and tsunami, New Zealand earthquakes and Thailand floods.

Investment Results

Investment Results: The Swiss Re group has reported positive investment returns, including realised and unrealised gains, every year since 2008, when investment activities made a loss. In 2009, the group de-risked its investment portfolio and consequently both short-term investments and cash increased as a percentage of the overall portfolio.

The group emphasises a high quality and well diversified investment portfolio with significant holdings in cash, short-term deposits, government bonds or government-backed instruments.

Balance Sheet Strength

Capitalization

The following text is derived from A.M. Best's consolidated Credit Report on Swiss Reinsurance Company Ltd (AMB# 085010).

Capitalization: The Swiss Re group benefits from excellent consolidated risk-adjusted capitalisation. Capitalisation is enhanced by subordinated debt and partial credit is given for the value embedded within the in-force life book. The group has been able to return capital to investors in recent years, due to strong internal capital generation. Special dividends have been paid out in 2013, 2014 and 2015. In addition, Swiss Re carried out a share buy-back programme in early 2016 with CHF 1 billion of shares purchased before the annual general meeting in April 2016.

The group is expected to continue to return capital to investors following years with strong earnings as long as risk-adjusted capitalisation remains excellent. Future returns of capital are more likely to be in the form of share buy-backs as the group's tax privileged legal reserve has now been exhausted. In April 2016, shareholders authorised another share buy-back programme of up to CHF 1 billion to be carried out before the annual general meeting in April 2017. The shares will only be bought if excess capital is available, no major loss events occur during the year, other business opportunities do not meet the group's objectives and regulatory approval is obtained.

Loss Reserves

Loss Reserves: The Swiss Re group has benefited from overall positive reserve development in recent years for property/casualty reserves. USD 6.8 billion was released in the period 2011-2015. Positive developments have been seen on all accident years since 2006, and pre-2006 accident years have also developed positively overall (to year-end 2015). Property and casualty reserves are set on a best-estimate basis as required by US GAAP, however, the group typically sets reserves between the 60th and 80th percentile of the best estimate range.

Financial Leverage

Financial Leverage: Swiss Re's financial flexibility remains very strong, as demonstrated by a proven willingness and ability to access debt and equity markets. The group has issued a number of contingent capital subordinated securities, which enhance its financial flexibility. Each of the group's business units, Reinsurance, Corporate Solutions and Life Capital, has the financial flexibility to issue debt.

In 2015 and 2016 pre-funded facilities were put in place through which Swiss Re Ltd can issue subordinated debt to a total of USD 1.9 billion.

The group's overall financial leverage remains comfortably within A.M. Best's tolerances. As at year-end 2015, the group's operational debt amounted to USD 4 billion, down from USD 9 billion at year-end 2013. A.M. Best expects the group to continue to manage down its operational debt leverage.

Summary Of Operations

Summarized Accounts as of December 31, 2016

Data reflected within all tables of this report has been compiled from the financial statements of this company (Source: Company Financial Statement). An independent audit of the company's affairs through December 31, 2016, was conducted by PricewaterhouseCoopers Ltd.

US \$ per Local Currency Unit .98148 = 1 Swiss Franc (CHF)

Statement of Income

Combined technical account:	12/31/2016	12/31/2016
	CHF(000)	USD(000)
Gross premiums written	22,976,000	22,550,484
Reinsurance ceded	4,207,000	4,129,086
Net premiums written	18,769,000	18,421,398
Increase/(decrease) in gross unearned premiums	1,112,000	1,091,406
Increase/(decrease) in reinsurers share unearned premiums	-77,000	-75,574
Net premiums earned	17,580,000	17,254,418
Other technical income	1,003,000	984,424
Total revenue	18,583,000	18,238,843
Net claims paid	148,000	145,259
Net increase/(decrease) in claims provision	8,241,000	8,088,377
Net claims incurred	8,389,000	8,233,636
Net increase/(decrease) in long term business provision	3,653,000	3,585,346
Management expenses	804,000	789,110
Acquisition expenses	4,150,000	4,073,142
Net operating expenses	4,954,000	4,862,252
Other technical expenses	646,000	634,036
Total underwriting expenses	17,642,000	17,315,270
Balance on combined technical account	941,000	923,573

Non-technical account:	12/31/2016	12/31/2016
	CHF(000)	USD(000)
Net investment income	1,175,000	1,153,239
Realised capital gains/(losses)	242,000	237,518
Unrealised capital gains/(losses)	-333,000	-326,833
Other income/(expense)	-924,000	-906,888
Profit/(loss) before tax	1,101,000	1,080,609
Taxation	226,000	221,814
Profit/(loss) after tax	875,000	858,795
Retained Profit/(loss) for the financial year	875,000	858,795
Retained Profit/(loss) carried forward	875,000	858,795

Movement in Capital & Surplus

	12/31/2016	12/31/2016
	CHF(000)	USD(000)
Capital & surplus brought forward	14,260,000	13,995,905
Profit or loss for the year	875,000	858,795
Dividend to shareholders	-2,933,000	-2,878,681
Total change in capital & surplus	-2,058,000	-2,019,886
Capital & surplus carried forward	12,202,000	11,976,019

Balance Sheet

Assets

	12/31/2016	12/31/2016	12/31/2016
	CHF(000)	% of total	USD(000)
Cash & deposits with credit institutions	6,064,000	6.0	5,951,695
Bonds & other fixed interest securities	17,382,000	17.2	17,060,085
Shares & other variable interest instruments	611,000	0.6	599,684
Liquid assets	24,057,000	23.8	23,611,464
Mortgages & loans	817,000	0.8	801,869
Inter-company investments	13,094,000	12.9	12,851,499
Other investments	10,918,000	10.8	10,715,799
Total investments	48,886,000	48.3	47,980,631
Reinsurers' share of technical reserves - unearned premiums	2,223,000	2.2	2,181,830
Reinsurers' share of technical reserves - claims	4,778,000	4.7	4,689,511
Reinsurers' share of technical reserves - life	1,707,000	1.7	1,675,386
Total reinsurers share of technical reserves	8,708,000	8.6	8,546,728
Deposits with ceding companies	18,840,000	18.6	18,491,083
Insurance/reinsurance debtors	5,754,000	5.7	5,647,436
Inter-company debtors	11,548,000	11.4	11,334,131
Other debtors	97,000	0.1	95,204
Total debtors	17,399,000	17.2	17,076,771
Fixed assets	15,000	...	14,722
Prepayments & accrued income	1,931,000	1.9	1,895,238
Other assets	5,512,000	5.4	5,409,918
Total assets	101,291,000	100.0	99,415,091

Balance Sheet (Continued...)

Liabilities

	12/31/2016	12/31/2016	12/31/2016
	CHF(000)	% of total	USD(000)
Capital	34,000	...	33,370
Paid-up capital	34,000	...	33,370
Non-distributable reserves	7,428,000	7.3	7,290,433
Claims equalisation reserve	1,544,000	1.5	1,515,405
Other reserves	3,839,000	3.8	3,767,902
Retained earnings	26,000	...	25,518
Current year net income	875,000	0.9	858,795
Capital & surplus	13,746,000	13.6	13,491,424
Gross provision for unearned premiums	7,147,000	7.1	7,014,638
Gross provision for outstanding claims	39,903,000	39.4	39,163,996
Gross provision for long term business - life	15,728,000	15.5	15,436,717
Total gross technical reserves	62,778,000	62.0	61,615,351
Long term borrowings	8,245,000	8.1	8,092,303
External borrowings	8,245,000	8.1	8,092,303
Deposits received from reinsurers	3,789,000	3.7	3,718,828
Insurance/reinsurance creditors	1,037,000	1.0	1,017,795
Inter-company creditors	1,861,000	1.8	1,826,534
Total creditors	2,898,000	2.9	2,844,329
Accruals & deferred income	200,000	0.2	196,296
Other liabilities	9,635,000	9.5	9,456,560
Total liabilities & surplus	101,291,000	100.0	99,415,091

History

Date Incorporated: 1863

Date Commenced: N/A

Domicile: Switzerland

Information on the history of Swiss Re Group can be found on swissre.com. Swiss Reinsurance Company Ltd was the Group's parent company from its foundation in 1863 until 2011 when Swiss Re Ltd was established as the Group's holding company.

Management

Swiss Re's Board of Directors has delegated the conduct of business operations to the Executive Committee and the Executive Board. The Executive Committee comprises the CEO and the Heads of Global Functions. It is responsible for managing and coordinating the group's operations. The Executive Board comprises the members of the Executive Committee and further senior executives. It supports the Executive Committee as a sounding forum and reviews the group's strategy and business policies as well as the group plan.

Members of the Executive Committee and the Executive Board are appointed by the Board of Directors upon recommendation of the CEO and after consultation with the Compensation Committee.

Michel Liés, CEO has overall responsibility over the Executive Committee. Mr. Liés joined the Life department of Swiss Re in Zurich in 1978. In 1994 he transferred to the non-life sector and was appointed Head of Southern Europe / Latin America in 1997. Mr. Liés became a member of the Executive Board in 1998 and was appointed CEO on 1 February 2012.

Officers And Directors

Officers

CEO: Jean-Jacques Henchoz (Reinsurance EMEA)

CEO: Christian Mumenthaler

CEO: Moses Ojeisekhoba (Reinsurance Asia)

CEO: J. Eric Smith (Swiss Re Americas)

CFO: Gerhard Lohmann

Chief Risk Officer: Peter Grewal

Manager: Russell Higginbotham (Head Life & Health Products)

Manager: Jonathan Isherwood (Head Globals)

Manager: Alison Martin (Division Head Life & Health Business Management)

Manager: Jayne Plunkett (Division Head Casualty Underwriting)

Manager: Jason Richards (Division Head Property & Casualty Business Management)

Manager: Edouard Schmid (Division Head Property & Specialty Underwriting)

Directors

Rajna Gibson Brandon

Raymond K. F. Ch'ien

Renato Fassbind (Vice Chairman)

Mary Francis

C. Robert Henrikson

Walter B. Kielholz (Chairman)

Trevor Manuel

Carlos E. Represas

Philip K. Ryan

Paul Tucker

Susan L. Wagner

Balance Sheet Items

	CHF (000) 2016	CHF (000) 2015	CHF (000) 2014	CHF (000) 2013	CHF (000) 2012
Liquid assets	24,057,000	22,163,000	24,560,000	26,414,000	28,831,000
Total investments	48,886,000	41,949,000	46,377,000	47,984,000	55,359,000
Total assets	101,291,000	90,263,000	87,848,000	84,682,000	91,515,000
Total gross technical reserves	62,778,000	49,082,000	50,698,000	47,780,000	49,542,000
Net technical reserves	54,070,000	41,086,000	41,827,000	39,017,000	38,769,000
Total liabilities	87,545,000	74,459,000	75,941,000	72,085,000	78,773,000
Capital & surplus	13,746,000	15,804,000	11,907,000	12,597,000	12,742,000

Income Statement Items

	CHF (000) 2016	CHF (000) 2015	CHF (000) 2014	CHF (000) 2013	CHF (000) 2012
Gross premiums written	22,976,000	17,448,000	15,608,000	16,223,000	16,348,000
Net premiums written	18,769,000	13,045,000	10,933,000	11,028,000	10,668,000
Balance on technical account(s)	941,000	1,654,000	1,376,000	231,000	1,302,000
Profit/(loss) before tax	1,101,000	6,859,000	2,470,000	2,650,000	4,286,000
Profit/(loss) after tax	875,000	6,776,000	2,066,000	2,491,000	4,000,000

Liquidity Ratios (%)

	2016	2015	2014	2013	2012
Total debtors to total assets	17.2	21.4	15.9	14.8	9.7
Liquid assets to net technical reserves	44.5	53.9	58.7	67.7	74.4
Liquid assets to total liabilities	27.5	29.8	32.3	36.6	36.6
Total investments to total liabilities	55.8	56.3	61.1	66.6	70.3

Leverage Ratios (%)

	2016	2015	2014	2013	2012
Net premiums written to capital & surplus	136.5	82.5	91.8	87.5	83.7
Net technical reserves to capital & surplus	393.4	260.0	351.3	309.7	304.3
Gross premiums written to capital & surplus	167.1	110.4	131.1	128.8	128.3
Gross technical reserves to capital & surplus	456.7	310.6	425.8	379.3	388.8
Total debtors to capital & surplus	126.6	122.1	117.5	99.7	69.4
Total liabilities to capital & surplus	636.9	471.1	637.8	572.2	618.2

Profitability Ratios (%)

	2016	2015	2014	2013	2012
Return on net premiums written	4.7	51.9	18.9	22.6	37.5
Return on total assets	0.9	7.6	2.4	2.8	4.3
Return on capital & surplus	5.9	48.9	16.9	19.7	26.2

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 Issue/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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