

## APPENDIX A

### Explanation of Best's Rating Guide

A.M. Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. The following ratings and financial size categories are taken from the Best's Rating Guide. It is the normal policy of Cravens Warren to use only companies with a rating of "B+" or better.

#### Rating Levels

##### Secure Ratings

A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good

##### Vulnerable Rating

B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

##### Financial Size Categories (Reported Policyholders' Surplus Plus Conditional Reserve Funds)

Class I	Up	to	1,000,000
Class II	1,000,000	to	2,000,000
Class III	2,000,000	to	5,000,000
Class IV	5,000,000	to	10,000,000
Class V	10,000,000	to	25,000,000
Class VI	25,000,000	to	50,000,000
Class VII	50,000,000	to	100,000,000
Class VIII	100,000,000	to	250,000,000
Class IX	250,000,000	to	500,000,000
Class X	500,000,000	to	750,000,000
Class XI	750,000,000	to	1,000,000,000
Class XII	1,000,000,000	to	1,250,000,000
Class XIII	1,250,000,000	to	1,500,000,000
Class XIV	1,500,000,000	to	2,000,000,000
Class XV	2,000,000,000	or	more