

A+

"Superior"
with a "Stable" Outlook
Reaffirmed 3/27/2018

Other Factors

1. Strength of the Parent

The financial stability of an insurer's parent company should always be considered. In the case of GUARD, our ultimate parent (Berkshire Hathaway) is among the strongest and most respected in the world!

2. Reinsurer Relationships

Insurance companies need insurance, too. Typically, a portion of the risk being assumed by an insurer is transferred to another company via reinsurance. Berkshire Hathaway GUARD Insurance Companies work with organizations rated A or better. A.M. Best has noted that GUARD's credit risk ". . . is mitigated through high-quality reinsurance partners"

3. Renewal Retention

Companies' willingness to renew policies with an insurer is both a measure of customer satisfaction and stability in the marketplace. In our case, more than 8 out of 10 of our policyholders choose to come back to us!



Rating Your Insurer

When selecting an insurer, you want to be assured that the organization is strong and stable so all claims obligations will be met in a timely way and the opportunity to renew policies with the same company exists from year to year. One simple, readily available, and commonly accepted measure is the rating supplied by a reputable, independent rating organization.

Who is A.M. Best Company?

Established in 1899, A.M. Best is recognized as the premier source of reliable rating information for insurance companies. Before offering an opinion about the financial strength and operational effectiveness of an organization, exhaustive annual quantitative and qualitative analysis occurs across a wide variety of key categories.

What is Berkshire Hathaway GUARD rated by A.M. Best?

A+ ("Superior") with a "Stable" outlook – "SECURE"

What does this rating mean?

According to the A.M. Best **"Guide to Best's Financial Strength Ratings,"** an A+ rating is "Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations." As a result, only about 12% of all property/casualty insurer groups receive a rating this high. Furthermore, Best states that a "Stable" outlook "Indicates low likelihood of a rating change due to stable financial/market trends."

What does A.M. Best have to say about Berkshire Hathaway GUARD?

In the affirming our Financial Strength Rating in March of 2018, Best made the following remarks:

"The ratings reflect GUARD's balance sheet strength, which A.M. Best categorizes as strongest, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management. GUARD's solid risk-adjusted capitalization, favorable operating profitability achieved through disciplined underwriting initiatives and conservative reserving philosophy, which has resulted in favorable reserve development over the past 10 years, also were factors taken into account. The ratings also acknowledge the implicit and explicit financial support provided by GUARD's immediate parent. . . ."

A.M. Best also notes:

"GUARD's combined-ratio basis and operating-ratio basis results have outperformed the workers' compensation composite in the most recent five years.

"GUARD's underwriting, investment, and reinsurance risks are appropriately supported by its level of capitalization as measured by Best's Capital Adequacy Ratio (BCAR). . . ."



Berkshire Hathaway
GUARD Insurance
Companies