



# NEWS RELEASE

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## FOR IMMEDIATE RELEASE

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### **A.M. Best Upgrades Ratings of Philadelphia Insurance Companies and Its Members**

**OLDWICK, N.J., September 19, 2011**—A.M. Best Co. has upgraded the financial strength rating (FSR) to A++ (Superior) from A+ (Superior) and the issuer credit ratings (ICR) to “aa+” from “aa” of **Philadelphia Insurance Companies** (Philadelphia) (Bala Cynwyd, PA) and its members. The outlook for these ratings has been revised to stable from positive.

Concurrently, A.M. Best has affirmed the FSR of A- (Excellent) and ICR of “a-” of **Liberty American Insurance Group** (Liberty American) (Pinellas Park, FL) and its members. The outlook for these ratings is stable.

All companies are subsidiaries of **Tokio Marine & Nichido Fire Insurance Co., Ltd.**, a subsidiary of **Tokio Marine Holdings, Inc.** (Tokio Marine) (both of Tokyo, Japan). (See below for a detailed listing of the companies and ratings.)

The rating actions on Philadelphia reflect its continuing generation of superior operating results, maintenance of its strong capitalization and excellent market presence as a writer of specialty commercial business. The ratings also acknowledge the group’s excellent operating cash flow, solid liquidity measures and well-developed enterprise risk management (ERM) platform.

The ratings of Philadelphia also are partially enhanced by Tokio Marine and Philadelphia’s strategic importance to Tokio Marine’s global expansion in the United States. Additionally, the multi-layered, highly

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integrated ERM system greatly enhances the information gathering and review processes of the group, which in turn helps inform and drive the ultimate decision-making processes throughout the organization. This disciplined approach and commitment to delivering innovative products and high service levels to niche insurance markets should continue to benefit Philadelphia in the future.

The rating affirmations of Liberty American recognize its modest underwriting leverage and adequate liquidity, which more than supports the current run off of the group’s personal lines business and the pass-through business written on behalf of the National Flood Insurance Program, a program that is being transferred to **Philadelphia Indemnity Insurance Company**, Philadelphia’s lead operating company.

The FSR has been upgraded to A++ (Superior) from A+ (Superior) and the ICR to “aa+” from “aa” for **Philadelphia Insurance Companies** and its following members:

- **Philadelphia Indemnity Insurance Company**
- **Philadelphia Insurance Company**

The FSR of A- (Excellent) and ICR of “a-” have been affirmed for **Liberty American Insurance Group** and its following members:

- **Liberty American Insurance Company**
- **Liberty American Select Insurance Company**

The principal methodology used in determining these ratings is [Best’s Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilized include: “Risk Management and the Rating Process for Insurance Companies”; “Understanding BCAR for Property/Casualty Insurers”; “Rating Members of Insurance Groups”; “Catastrophe Risk Management Incorporated Within the Rating Analysis”; and “Natural Catastrophe Stress Test Methodology.” Methodologies can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

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