



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of AmerInst Insurance Company, Ltd.

OLDWICK, NEW JERSEY, U.S.A., September 12, 2011—A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and issuer credit rating of “a-” of **AmerInst Insurance Company, Ltd.** (AmerInst) (Hamilton, Bermuda). The outlook for both ratings is stable. AmerInst is a wholly owned subsidiary of **AmerInst Insurance Group, Ltd.**

The ratings reflect AmerInst’s strong capitalization and experienced management team as well as its niche expertise as a reinsurer of professional liability policies. Partially offsetting these positive rating factors is the company’s narrow spread of underwriting risk, in addition to the execution risk associated with the implementation of a new business plan.

AmerInst intends to continue under its new business plan to employ a conservative reserving methodology under which it historically booked to a higher loss ratio than that of its primary carrier. AmerInst has met A.M. Best’s higher capitalization requirements, which mandate a more conservative level of risk-based capital for a new business plan. A.M. Best will continue to monitor AmerInst as it implements this business plan. Any material negative deviation from the new business plan in terms of management, earnings, capitalization or risk profile could result in negative rating pressure.

A.M. Best remains the leading rating agency of alternative risk transfer entities, with more than 200 such vehicles rated in the United States and throughout the world.

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For current Best’s Credit Ratings and independent data on the captive and alternative insurance market, please visit www.ambest.com/captive.

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 Universal BCAR for Property/Casualty Insurers”; “A.M. Best’s Rating Methodology for Captive Insurance Companies”; and “Assessing Country Risk.” Methodologies can be found at www.ambest.com/ratings/methodology.

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