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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings for the Nonprofits Insurance Alliance Group Members

OLDWICK, N.J., November 4, 2011—A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and issuer credit ratings of “a” of the **Nonprofits Insurance Alliance Group** members, **Alliance of Nonprofits for Insurance, Risk Retention Group (ANI)**, **National Alliance of Nonprofits for Insurance (NANI)** (both domiciled in Montpelier, VT) and **Nonprofits’ Insurance Alliance of California, Inc. (NIAC)** (Santa Cruz, CA). The outlook for all ratings is stable.

The ratings recognize the group’s excellent capitalization and operating performance, its strong management and effective niche market strategy. The ratings also consider the benefits derived from and the companies’ strategic roles within the Nonprofits Insurance Alliance Group, including the national platform provided by ANI. A.M. Best considers that ANI, NANI and NIAC function as a group, with the common mission of serving nonprofit organizations through common management (human resources, information technology and administration), underwriting, marketing, claims and risk management services provided by Alliance Member Services. Despite the lack of ownership, A.M. Best expects the respective boards of directors would act to support all entities within the group. Accordingly, A.M. Best deviated from its “Rating Members of Insurance Groups” rating methodology in regard to the lack of common ownership among the group members.

Partially offsetting these positive rating factors are ANI, NANI and NIAC’s limited sizes and the challenges associated with managing a growing book of business, their geographical expansions and establishing market positions in the face of competition.

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NIAC and ANI provide a range of liability coverages to 501(c)(3) nonprofit organizations—NIAC in California and ANI in other states. NANI provides property coverages for nonprofit organizations insured by ANI and NIAC through a fronting arrangement. Despite significant business growth in the last five years, the companies have been able to maintain conservative leverage measures. The companies' capitalization levels are protected by solid reinsurance protection from a leading global reinsurance group and are supported by conservative reserving and investment approaches. In addition, all three benefit from their nonprofit, tax-exempt status and from the experience and success of NIAC, which has a leading market position serving California nonprofits. This success reflects the group's expertise, strong customer focus and commitment to the nonprofit sector, as member retentions are very high.

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.

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 BCAR for Property/Casualty Insurers"; "Rating Members of Insurance Groups"; and "A.M. Best's Rating Methodology for Captive Insurance Companies." Methodologies can be found at www.ambest.com/ratings/methodology.

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