

TopAlert!



A- (Excellent) VI for Topa Insurance Company

Rating Category (Excellent): Assigned to companies which have, on balance, excellent financial strength, operating performance and market profile when compared to the standards established by the A.M. Best Company. These companies, in our opinion, have a strong ability to meet their ongoing obligations to policyholders. – AM BEST

A Message From the President Noshirwan Marfatia-President & CEO

A.M. BEST has completed its evaluation of Topa Insurance Company and affirmed a rating of A- (Excellent) with a stable outlook.

In arriving at this conclusion A.M. BEST states:

Topa Insurance Group:

The rating is based on the consolidation of Topa Insurance Company and its wholly owned, separately rated subsidiary, Dorchester Insurance Company, Ltd. The rating reflects the group's solid capitalization and diversified product offerings. Based on the group's solid capitalization and improved earnings expectations, A.M. BEST views the rating outlook as stable.

The group's solid capitalization is derived from management's prudent loss reserving practices, moderate investment leverage and catastrophe mitigation strategies that insulate earnings and surplus from shock loss volatility. The rating also reflects the close monitoring of aggregate property exposures and controlled distribution platform. In addition, management has implemented a number of strategic initiatives in recent years to improve profitability that have included rate increases, tightened underwriting guidelines, reduced expenses levels, new technology systems, and the discontinuance of unprofitable agencies and lines of business. Through its various operating subsidiaries and multiple revenue streams, the group's parent, Topa Equities, Ltd., provides the group with operational and financial support.

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We could not have sustained our rating without the total teamwork, professionalism and dedication of you, our valued producers, our entire staff, as well as the very tangible commitment and support of our parent, Topa Equities, Ltd., that made a capital cash contribution of \$7 million to Topa Insurance Company.

Thank you for all your efforts.