

# TopAlert!



## A- (Excellent) VII 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 for 2004 and affirmed a rating of A- (Excellent) with a stable outlook. Topa Insurance Company's financial size rating was increased to class VII.

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

#### **Topa Insurance Group:**

*The rating reflects the group's solid capitalization, prudent loss reserving practices and diversified product offerings. These positive rating factors are partially offset by the group's modest operating results and geographic concentration within one state. Based on the group's adequate capitalization for its rating level and recently improved operating earnings, A.M. Best views the rating outlook as stable.*

*The group's positive rating factors are derived from management expertise and taking advantage of the market dislocations, moderate underwriting 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 adjustments, tightened underwriting guidelines, reduced expense 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 operations 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.

*Thank you for all your efforts.*