

Claims Paying Ability Rating - Rating Symbols and Definition

Symbols	Rating Definition
Secure grades	
CARE AAA (In)	Insurers have the highest financial strength to meet policy holders obligations. The impact of any adverse business and economic factors on the claims paying ability of these insurers is minimal.
CARE AA (In)	Insurers have high financial strength to meet policy holders obligations. They are rated lower than CARE AAA insurers because of somewhat lower margins of protection. Insurers in this category, differ only marginally from the CARE AAA insurers.
CARE A (In)	Insurers have adequate financial strength to meet policy holders obligations. Assumptions that do not materialise may have a greater impact, as compared to the higher rated categories, on the claims paying ability.
CARE BBB (In)	Insurers have moderate financial strength to meet policy holders obligations. Adverse changes in business and economic conditions are more likely to weaken the claims-paying ability of the insurers.
Vulnerable grades	
CARE BB (In)	Insurers have inadequate financial strength to meet policy holders obligations. While, the current obligations of the policy holders are being met, these Insurers are highly susceptible to adverse changes in business and economic conditions.
CARE B (In)	Insurers have weak financial strength and their ability to meet policy holders obligations is low.
CARE C (In)	Insurers have poor financial strength and their ability to meet policy holders obligations is extremely low.
CARE D (In)	Such insurers are in the lowest category. They are in default on their policy holders obligations and are or are likely to be placed under supervision of the insurance regulator.

CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.