

ICRA LANKA'S CLAIMS PAYING ABILITY RATING SCALE

- (SL)AAA:** The Highest claims paying ability assigned by ICRA Lanka. Indicates fundamentally strong position. Prospect of meeting policyholder obligations is the best.
- (SL)AA:** High claims paying ability assigned by ICRA Lanka. Risk factors are modest and may vary slightly. Prospect of meeting policyholder obligations is high and differs from AAA only marginally.
- (SL)A:** Adequate claims paying ability assigned by ICRA Lanka. Prospect of meeting policyholder obligations is adequate. The risk factors are more variable and greater in periods of economic stress and any adverse changes in business /economic circumstances as may be visualized, may alter the fundamental strength.
- (SL)BBB:** Moderate claims paying ability assigned by ICRA Lanka. The protective factors are below average and adverse changes in business /economic circumstances are likely to affect the prospect of meeting policyholder obligations.
- (SL)BB:** Inadequate claims paying ability assigned by ICRA Lanka. The protective factors fluctuate in case of changes in business /economic conditions and prospects of meeting policyholder obligations are more likely to be affected by such changes.
- (SL)B:** Weak claims paying ability assigned by ICRA Lanka. Risk factors indicate that policyholder obligations may not be met when due. Adverse changes in business /economic conditions could result in inability /unwillingness to service policyholder obligations.
- (SL)C:** Lowest claims paying ability assigned by ICRA Lanka. Indicates fundamentally poor position. Such companies may often be in default on policyholder obligations may be or are likely to be placed under supervision by insurance regulator.

Note:

For the Rating categories (SL)AA through to (SL)C the sign of + (plus) or – (minus) may be appended to the Rating symbols to indicate their relative position within the Rating categories concerned. Thus the Rating of (SL)AA+ is one notch higher than (SL)AA, while (SL)AA- is one notch lower than (SL)AA.