



PRESS RELEASE

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AM Best Affirms Credit Ratings of Members of AmFirst Holdings, Inc. and AmFirst Specialty Insurance Company

FOR IMMEDIATE RELEASE: August 6, 2020

RIDGELAND, MISSISSIPPI: AM Best has affirmed the Financial Strength Rating (FSR) of A- (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "a-" of AmFirst Insurance Company (AmFirst) (Oklahoma City, OK) and its wholly owned subsidiaries, Monitor Life Insurance Company of New York (Monitor Life) (Utica, NY), AmFirst Life Insurance Company, I.I. (San Juan, Puerto Rico) and New Providence Life Insurance Company (New Providence Life) (Nassau, Bahamas). Concurrently, AM Best has affirmed the FSR of B++ (Good) and the Long-Term ICR of "bbb+" of AmFirst's subsidiary, AmFirst Specialty Insurance Company (AmFirst Specialty) (Ridgeland, MS). The outlook of these Credit Ratings (ratings) is stable.

The ratings of the AmFirst Holdings, Inc. group reflect the companies' balance sheet strength, which AM Best categorizes as very strong, as well as their adequate operating performance, limited business profile and appropriate enterprise risk management (ERM).

These rating affirmations reflect the rating unit's strongest level of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), and the operating entities maintaining solid liquidity and leverage measures. AmFirst's flagship medical gap product (Premium Saver) and its dental association business continue to stabilize reported net earnings. With the COVID-19 pandemic issues affecting all health insurers and product lines, AM Best expects the measure taken by major medical and dental carriers to affect the earnings in 2020. Most primary health insurers have waived testing fees and



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co-pays for treatment of COVID-19, which alleviates out-of-pocket expenditures for AmFirst’s GAP subscribers. With stay-at-home or shelter-in-place guidance affecting geographic areas where AmFirst operates, a projected utilization drop for both medical and dental subscribers in the second quarter and into the third quarter may favorably affect AmFirst’s quarterly and full year operating performance. Offsetting these favorable developments is AmFirst’s limited business profile due to a concentration of premium revenue in a number of states and a majority of its premium being derived from the gap and dental products.



The ratings also reflect AmFirst Specialty’s balance sheet, which AM Best categorizes as adequate, as well as its adequate operating performance, limited business profile and appropriate ERM. The ratings also benefit from the implicit and explicit support of its immediate parent, AmFirst Insurance Company, and its ultimate parent, AmFirst Holdings, Inc. (AHI).



AmFirst Specialty’s risk-adjusted capitalization, as measured by BCAR, is categorized as very strong, reflective of several capital contributions by its immediate parent. The balance sheet assessment of adequate, however, is reflective of its absolute surplus size and significant dependence on reinsurance and exposure to catastrophe risk. AM Best assesses AmFirst Specialty’s operating performance as adequate, largely based on its limited results as a newly formed entity. The business profile is assessed as limited based on its significant geographic and product line concentration. The company’s ERM practices are assessed as appropriate, with the process managed by its immediate parent. Rating enhancement is based on the implicit and explicit support AmFirst Specialty receives from its parent, in the form of common management and financial guaranty, as well as its level of integration into AmFirst Specialty’s overall operational capabilities.



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“We are pleased that AM Best has affirmed our A- Excellent rating in recognition of the Group’s continued exceptional operating results and strong capital position. We expect that 2020 will be another record-breaking year as the Group’s operating results are concerned,” said Rick Eaton, AmFirst Secretary/Treasurer and COO of Morgan White Group.

For more information visit [AmFirst Insurance Company](#), [AM Best](#) or email [Communications](#).

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