



PRESS RELEASE

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AMFIRST INSURANCE COMPANY

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AM Best Upgrades Credit Ratings of AmFirst Specialty Insurance Co.; Affirms Ratings of Subsidiaries of AmFirst Holdings, Inc.

FOR IMMEDIATE RELEASE: August 9, 2021



RIDGELAND, MISSISSIPPI: AM Best has upgraded the Financial Strength Rating (FSR) to A- (Excellent) from B++ (Good) and the Long-Term Issuer Credit Rating (Long-Term ICR) to “a-” (Excellent) from “bbb+” (Good) of **AmFirst Specialty Insurance Company** (AmFirst Specialty) (Ridgeland, MS). Concurrently, AM Best has affirmed the FSR of A- (Excellent) and the Long-Term ICR of “a-” (Excellent) of **AmFirst Insurance Company** (AmFirst) (Oklahoma City, OK) and its affiliates, **AmFirst Life Insurance Company, I.I.** (San Juan, Puerto Rico) and **New Providence Life Insurance Company** (New Providence Life) (Nassau, Bahamas). All of the companies listed above comprise **AmFirst Holdings, Inc.** (AmFirst or the group). 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 2021. Most primary health insurers have waived testing





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fees and 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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“The upgrade to an A- Excellent rating by AM Best is great news for AmFirst Specialty Insurance Company and its policyholders. This will allow the Company to broaden its footprint to include new markets this year and in 2022. We are also pleased that AM Best has affirmed the A- Excellent rating of the AmFirst Holdings Group in recognition of the its exceptional operating results and strong capital position during a trying time in our nation’s history. We look forward to continued growth in the years ahead.” said Rick Eaton, AmFirst Secretary/Treasurer and COO of Morgan White Group.

For more information about AmFirst Insurance Company and AM Best, visit www.amfirstinsco.com or email Communications at communications@morganwhite.com.

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