

INSURANCE COMPANY FINANCIAL STRENGTH RATINGS - Q3 2018

ALL CLIENT POLICIES ARE UNDERWRITTEN BY TOP-TIER LIFE INSURANCE PROVIDERS



WESTWARD'S VIEW

The financial strength of insurance companies is regularly assessed by trusted statistical rating organizations. Westward monitors these assessments to ensure that our clients' policies are underwritten by top-tier providers.

Worth noting, **A.M. Best measures a company's ability to pay claims** and also rates the financial instruments issued by the insurance company. It is widely considered to provide the most comprehensive assessment because it focuses exclusively on the insurance marketplace.

Moody's and **S&P** rate some of the Canadian insurers and all the Canadian banks.

All insurers except ivari have top financial strength ratings that equal or exceed the ratings of the top five banks in Canada.



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Q3 2018 RATINGS

Quoted as at July 4, 2018

	A.M. Best	Moody's	Standard & Poor's
INDUSTRIAL ALLIANCE No Change	A+ Superior	Not Rated	A+ Strong
Manulife No Change	A+ Superior	A1 Upper Medium Low Risk	AA- Very Strong
Sun Life Financial No Change	A+ Superior	Aa3 High Quality Very Low Risk	AA- Very Strong
Canada Life No Change	A+ Superior	Aa3 High Quality Very Low Risk	AA Very Strong
RBC Insurance Raised from A	A+ Superior	Not Rated	Not Rated
BMO Insurance No Change	A Excellent	Not Rated	Not Rated
ivari	A Excellent	Not Rated	BBB+ Adequate

The above financial strength ratings assess an insurer's ability to meet its obligations to policyholders by three well-known rating agencies. The rating process involves quantitative and qualitative reviews of a company's balance sheet, operating performance and business profile, including comparisons to peers and several other factors. A.M. Best raised the rating of RBC Insurance from A to A+ in March 2018. We began tracking ivari this quarter. All other ratings remained the same over Q2 2018.

A.M. Best: Companies rated from B+ (good) through A++ (superior) are considered to be "secure."

Rating definitions: <http://www.ambest.com/ratings/guide.pdf>

Moody's: Companies rated from A (upper medium grade) through Aaa (highest quality) are considered "low credit risk." A modifier of 1 indicates the higher end of a category, and a 3 indicates the lower end of a category.

Rating definitions: <https://www.moodys.com/Pages/amr002002.aspx>

Standard & Poor's: Companies rated AAA, AA, A, or BBB have respectively "extremely strong," "very strong," "strong" or "adequate" capacity to meet financial commitments. A modifier of plus (+) or minus (-) shows the relative standing within the rating categories.

Rating definitions: https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourcelid/504352

