

Company	AMERICAN FIDELITY ASR CO
Group Affiliation	American Fidelity Group
Safety Rating	A (Excellent Financial Strength)
Address	2000 N Classen Blvd, Oklahoma City, OK 73106
Date Reviewed	May 22, 2009 (No Change) based on data through December 31, 2008
Next Review Date	August 2009

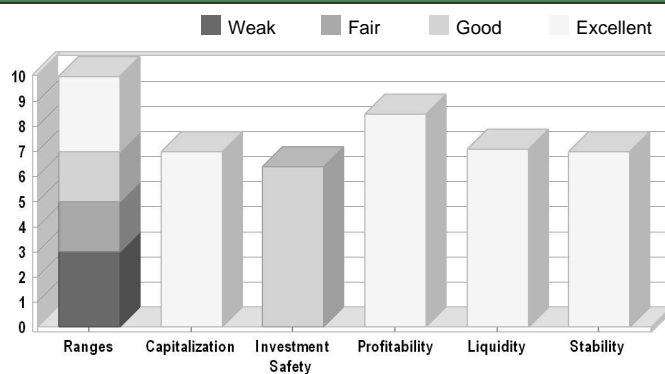
The A rating means that, in our opinion, this company offers excellent financial security. It has maintained a conservative stance in its investment strategies, business operations and underwriting commitments. While the financial position of any company is subject to change, we believe this company has the resources necessary to deal with severe economic conditions.

TheStreet.com Financial Strength Ratings represent a completely independent, unbiased opinion of an insurance company's financial strength. The ratings are derived from annual and quarterly financial statements obtained from state insurance commissioners. These data are supplemented by information that we request from the insurance companies themselves.

Ratings are assigned by a complex analysis of hundreds of factors that are synthesized into five indexes which are then used to arrive at a letter grade rating. The primary components are:

- **Capitalization Index** gauges capital adequacy in terms of each insurer's ability to handle a variety of business and economic scenarios as they may impact investment performance, claims experience, persistency and market position.
- **Investment Safety Index** measures the exposure of the company's investment portfolio to loss of principal and/or income due to default and market risks.
- **Profitability Index** measures the soundness of the company's operations and the contribution of profits to the company's financial strength.
- **Liquidity Index** values a company's ability to raise the necessary cash to settle claims and honor cash withdrawal obligations. We model various cash flow scenarios, applying liquidity tests to determine how the company might fare in the event of a spike in claims or a run on policy surrenders.
- **Stability Index** integrates a number of sub-factors that affect consistency (or lack thereof) in maintaining financial strength over time. Sub-factors include 1) risk diversification in terms of company size, group size, number of policies in force, etc.; 2) deterioration of operations as reported in critical items; 3) years in operation; 4) former problem areas where, despite recent improvement, the company has yet to establish a record of stable performance; 5) a substantial shift in the company's operations; 6) potential instabilities such as reinsurance quality, asset/liability matching, and sources of capital; and 7) relationships with holding companies and affiliates.

Rating Indexes



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