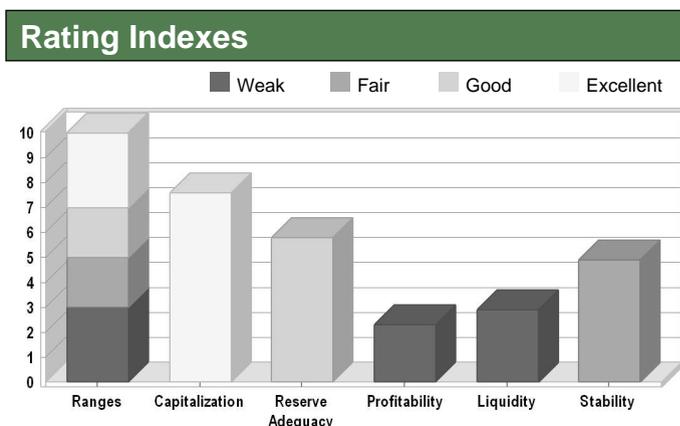


Company	AMERICAN FAMILY MUT INS CO
Group Affiliation	American Family Ins Group
Safety Rating	B- (Good Financial Strength)
Address	6000 American Pkwy, Madison, WI 53783
Date Reviewed	January 27, 2010 (No Change) based on data through September 30, 2009
Next Review Date	May 2010

The B- rating means that, in our opinion, this company offers good financial security and has the resources to deal with a variety of adverse economic conditions. It comfortably exceeds the minimum levels for all of our rating criteria and is likely to remain healthy for the near future. Nevertheless, in the event of a severe recession or major financial crisis, we feel this assessment should be reviewed to make sure the company is still maintaining adequate financial strength.

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:



- **Risk-Adjusted Capital Indexes** gauge capital adequacy in terms of each insurer's risk profile under both moderate and severe loss scenarios.
- **Reserve Adequacy Index** measures the adequacy of the company's reserves and its ability to accurately anticipate the level of claims it will receive.
- **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 cash necessary to pay claims. We model various cash flow scenarios, applying liquidity tests to determine how the company might fare in the event of an unexpected spike in claims.
- **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 asset, liability, income and expense 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.

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