

Association of credit assessments with credit quality steps

In accordance with the Insurance (Non Long-Term Business Valuation and Solvency) Regulations 2021, the credit assessments of an External Credit Assessment Institution (ECAI) are to be associated with the following credit quality steps:

Credit quality step	Standard & Poor		Moody		Fitch	
Rating Type	<i>Long-term rating</i>	<i>Short-term rating</i>	<i>Long-term rating</i>	<i>Short-term rating</i>	<i>Long-term rating</i>	<i>Short-term rating</i>
0	AAA		Aaa		AAA	
1	AA	A-1+	Aa	P-1	AA	F1+
2	A	A-1	A	P-2	A	F1
3	BBB	A-2, A-3	Baa	P-3	BBB	F2, F3
4	BB	Lower than B	Ba	NP	BB	Lower than B
5-6	Lower than BB		Lower than B		Lower than BB	
Credit quality step	AM Best		NACI		Global Credit Ratings Co.¹	
Rating Type	<i>Long-term rating</i>	<i>Short-term rating</i>	<i>Long-term rating</i>	<i>Short-term rating</i>	<i>Long-term rating</i>	<i>Short-term rating</i>
0	aaa		1		AAA	
1	aa	AMB-1+	1	1	AA	A1+
2	a	AMB-1-	1	2	A	A1
3	bbb	AMB-2, AMB-3	2	3	BBB	A2, A3
4	bb	AMB-4	3	Lower than 4	BB	Lower than B
5-6	Lower than bb		Lower than 3		Lower than BB	

¹ These are the GCR International Scale Ratings. Please refer to the GCR website for how to map from a National Scale Rating to an International Scale Rating.

Unrated Isle of Man incorporated banks

In the concentration risk and counterparty default risk helper tabs, the credit quality step to use for unrated Isle of Man incorporated banks is 'IOM Bank'.

At the time of publishing, Isle of Man incorporated banks include Isle of Man Bank, Standard Bank Isle of Man Limited, Nedbank Private Wealth, Cayman National Bank (Isle of Man) Limited, and Conister Bank Limited. Where an incorporated bank has a rating from an ECAI, this rating must be used to determine its credit quality step.