

INSURANCE COMPANY FINANCIAL STRENGTH RATINGS - Q1 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** is widely considered to provide the most comprehensive assessment because it focuses exclusively on the insurance marketplace. It measures a company's **ability to pay claims** and also rates the financial instruments issued by the insurance company.

Moody's and **S&P** do not rate all Canadian insurers, which is why no rating is given for some insurers.

Westward works with all six insurers shown. All have top financial strength ratings that equal or exceed the ratings of the top five banks in Canada.

The opinions expressed in this memorandum are strictly those of Westward Advisors Ltd. This memorandum is for information purposes only and is not legal or tax advice.

Q1 2018 RATINGS

Quoted as at January 2, 2018



No Change



No Change



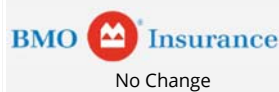
No Change



No Change



No Change



No Change

A.M. Best

Moody's

Standard & Poor's

A+
Superior

Not
Rated

A+
Strong

A+
Superior

A1
Upper Medium
Low Risk

AA-
Very Strong

A+
Superior

Aa3
High Quality
Very Low Risk

AA-
Very Strong

A+
Superior

Aa3
High Quality
Very Low Risk

AA
Very Strong

A
Excellent

Not
Rated

Not
Rated

A
Excellent

Not
Rated

Not
Rated

The above financial strength ratings assess an insurer's ability to meet its obligations to policyholders by three well-known rating agencies. The ratings of all the insurers remained the same over Q4 2017. 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:

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 A, AA or AAA have respectively "strong," "very strong" or "extremely strong" capacity to meet financial commitments.

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

