

## RATING SCALE & DEFINITIONS: INSURER FINANCIAL STRENGTH

### AAA(IFS)

**Exceptionally Strong.** Exceptionally strong capacity to meet policy holders and contract obligations. Risk factors are minimal, and the impact of any adverse business and economic factors is expected to be extremely small.

### AA++(IFS), AA+(IFS), AA(IFS)

**Very Strong.** Very strong capacity to meet policy holders and contract obligations. Risk factors are very low, and the impact of any adverse business and economic factors is expected to be very small.

### A++(IFS), A+(IFS), A(IFS)

**Strong.** Strong capacity to meet policy holders and contract obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small.

### BBB++(IFS), BBB+(IFS), BBB(IFS)

**Good.** Good capacity to meet policyholder and contract obligations. Risk factors are moderate, and the impact of any adverse business and economic factors is expected to be manageable.

### BB++(IFS), BB+(IFS), BB(IFS)

**Marginal.** Marginal capacity to meet policyholders and contract obligations. Though positive factors are present, risk factors are relatively high, and the impact of any adverse business and economic factors is expected to be significant.

### B++(IFS), B+(IFS), B(IFS)

**Weak.** Weak capacity to meet policyholder and contract obligations. Risk factors are high, and the impact of any adverse business and economic factors is expected to be very significant.

### CCC(IFS), CC(IFS), C(IFS)

**Very Weak.** Very weak capacity to meet policyholder and contract obligations. Risk factors are very high, and the impact of any adverse business and economic factors may lead to insolvency or liquidity impairment.

### D(IFS)

**Distressed.** Extremely weak capacity with limited liquid assets to meet policyholders and contractual obligations, or subjected to some form of regulatory intervention or declared insolvent by the regulator.

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**Rating Watch:** VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. [https://docs.vis.com.pk/docs/criteria\\_watch.pdf](https://docs.vis.com.pk/docs/criteria_watch.pdf)

**Rating Outlooks:** The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details. [https://docs.vis.com.pk/docs/criteria\\_outlook.pdf](https://docs.vis.com.pk/docs/criteria_outlook.pdf)

**'p' Rating:** A 'p' rating is assigned to entities, where the management has not requested a rating, however, agrees to provide informational support. A 'p' rating is shown with a 'p' subscript and is publicly disclosed. It is not modified by a plus (+) or a minus (-) sign which indicates relative standing within a rating category. Outlook is not assigned to these ratings. Refer to our 'Policy for Private Ratings' for details. [https://docs.vis.com.pk/docs/private\\_ratings.pdf](https://docs.vis.com.pk/docs/private_ratings.pdf)