



# Fremont Insurance

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## **A.M. Best Upgrades Ratings of Fremont Insurance Company and Fremont Michigan InsuraCorp, Inc.**

**Tuesday, October 27, 2009 02:08:00 PM**

**A.M. Best Co.** has upgraded the financial strength rating to A- (Excellent) from B++ (Good) and issuer credit rating (ICR) to “a-” from “bbb+” of **Fremont Insurance Company** (Fremont). A.M. Best also has upgraded the ICR to “bbb-” from “bb+” of its parent holding company, **Fremont Michigan InsuraCorp, Inc.** [OTC BB: FMMH]. The outlook for all ratings has been revised to stable from positive. Both companies are domiciled in Fremont, MI.

The ratings and outlook reflect Fremont’s solid capitalization, favorable operating earnings and its well-established presence as a writer of personal lines insurance in Michigan. The company’s capital position reflects its moderate underwriting leverage, conservative investment risk profile and favorable loss reserve development. Fremont’s operating earnings have been driven by strong underwriting results and steadily increasing investment income over the previous five-year period.

These positive rating factors are partially offset by the risks inherent in the company’s geographic concentration in Michigan, which may subject it to weather-related loss exposure, potentially adverse legal and regulatory conditions, as well as economic and competitive market pressures. However, the company has tightened underwriting guidelines in recent years and focused on expansion into less catastrophe-prone areas of Michigan.

For Best’s Credit Ratings, an overview of the rating process and rating methodologies, please visit <http://www.ambest.com/ratings>.

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at <http://www.ambest.com/ratings/methodology>.

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