Guide Update 20-02: Insurance Carrier Rating Agencies

Effective: 03/23/20
Retired: 12/31/21

Summary of Changes

HIGHLIGHTS
Effective March 23, 2020, Demotech, Inc. was added as an acceptable rating agency, in addition to A.M. Best Company, for all property and liability insurance carriers.

Primary Changes

Property and liability insurance carriers must be rated by either A.M. Best Company or Demotech, Inc. Carriers rated by Demotech, Inc. must have a

- Financial Stability Rating of A or better, and
- policyholder surplus of at least $40 million.

In addition, if a Demotech, Inc. rated carrier is downgraded below an A, the policy is unacceptable and the Borrower must immediately obtain replacement coverage with a compliant carrier, even if the policy has not yet expired.

Questions

Please contact Jennifer Clements at (202) 752-5988, or jennifer_d_clements@fanniemae.com, with any questions.

© 2026 Fannie Mae. Trademarks of Fannie Mae.