



# Guide Update 20-02: Insurance Carrier Rating Agencies

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

## Summary of Changes

HIGHLIGHTS
<b>Effective March 23, 2020</b> , 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](mailto:jennifer_d_clements@fanniemae.com), with any questions.