



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

CONTACTS: Robert Brokaw
Financial Analyst
(908) 439-2200, ext. 5771
robert.brokaw@ambest.com

Henry Witmer
Assistant Vice President
(908) 439-2200, ext. 5097
henry.witmer@ambest.com

Rachelle Morrow
Senior Manager, Public Relations
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Upgrades Ratings for MAG Mutual Group and Its Members

OLDWICK, N.J., June 15, 2011—A.M. Best Co. has upgraded the financial strength rating to A (Excellent) from A- (Excellent) and the issuer credit ratings to “a” from “a-” of **MAG Mutual Group** (MAG Mutual) (Atlanta, GA) and its members, **MAG Mutual Insurance Company** (Atlanta, GA) and **Professional Security Insurance Company** (Scottsdale, AZ). The outlook for all ratings has been revised to stable from positive.

The ratings of MAG Mutual reflect its strong level of risk adjusted capitalization, favorable underwriting and operating profitability over the recent five-year period, and its leadership position in providing medical professional liability (MPL) insurance coverage to health care providers in its core state of Georgia. Additionally, MAG Mutual has a seasoned geographic spread of business in other contiguous states in the Southeast, where it derives over half of its premium volume. The ratings also consider the favorable underwriting results generated by sizeable loss reserve redundancies taken during the past four years, reflective of the group's conservative reserving position.

Partially offsetting these positive rating factors are the group's concentration risk by product, the highly competitive environment, potential challenges related to changes to tort reform in its major markets and the inherent volatility in the MPL line.

The outlook reflects the expectation that MAG Mutual will maintain strong capitalization, continue

—MORE—



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

—2—

generating positive underwriting results despite the recent loss of a cap on non-economic damages in Georgia and demonstrate prudent cycle management practices.

Over the last five years, the group's operating profitability has benefited from favorable trends in the MPL sector and through management's initiatives of improving rate adequacy and reducing policy limits. The group also benefits from the recent implementation of various corporate management tools and enterprise risk management initiatives. Furthermore, reform in the MPL legislation of key states has had a favorable impact on operating results as well.

The principal methodology used in determining these ratings is [Best's Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilized include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; and "Rating Members of Insurance Groups." Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

Copyright © 2011 by A.M. Best Company, Inc. ALL RIGHTS RESERVED.

#####