

FOR IMMEDIATE RELEASE:

ClearPath Mutual Insurance Company Announces Credit Ratings from AM Best

Louisville, Kentucky – March 19, 2019 – AM Best has assigned a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating of “a-” to ClearPath Mutual Insurance Company (ClearPath) (Louisville, KY). The outlook assigned to these Credit Ratings (ratings) is stable.

The ratings reflect ClearPath’s balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management.

ClearPath’s risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), is categorized as strongest and AM Best expects it to remain at a similar level in future years. The balance sheet strength assessment also considers the company’s above average reserve leverage, conservative approach to establishing reserves, history of favorable reserve development and generally low risk investment portfolio.

ClearPath has generated an adequate level of operating performance, supported by favorable underwriting income and moderate investment returns in recent years. Underwriting results have benefited from favorable reserve development trends on prior accident years. ClearPath has limited business diversification as single-state, mono-line workers’ compensation insurer, which leaves it susceptible to competitive pressures in Kentucky, as well as potential legislative, regulatory or judicial changes. This concern is mitigated partly by the company’s favorable market position within the state and local market expertise. Risk-management capabilities are considered appropriate for the risk profile of the company.

This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media use of Best’s Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best’s Credit Ratings and AM Best Rating Action Press Releases](#).

ClearPath Mutual Insurance Company was formed on January 1, 2018 and is domiciled in Louisville, Kentucky. ClearPath has approximately 7,300 policyholders and nearly \$54 million in premiums, making it one of the largest and most financially stable providers of workers’ compensation in Kentucky.