



Söderberg
& Partners

Q3 2023

Analysis of Insurer Financial Strength



Introduction

This analysis report provided by Söderberg & Partners presents the financial strength ratings for common insurance companies present in the Nordic non-life and life insurance markets.

The ability of an insurance company to pay claims due to its insureds is vital. It is in the fundamental interest of policyholders to ascertain that the insurance company with which their policy is placed will pay their claims if demanded. As insurance companies, like other companies, are exposed to various risks, their financial endurance plays a critical part in ensuring their ability to survive and honour their commitments to paying claims in face of direct or indirect economic shocks.

Continuous monitoring of an insurer's financial performance will aid in the understanding of and the possibility to mitigate potential risks to policyholders' insurance covers, and hence improve the reliability of advice provided by Söderberg & Partners.

The purpose of this report is to provide coverage of the financial strength of insurance companies along with presenting a summary of their financial performance. The analysis considers several quantitative variables as well as other relevant external factors in the assessment of financial strength.

Ratings

The main parameter for determining the financial strength of an insurance company is the rating provided by rating agencies. The rating applied by this report is the IFSR, the "Insurer Financial Strength Rating", a measure used specifically for the rating of financial strength of insurance companies.

Söderberg & Partners uses IFSRs provided by four internationally recognized rating agencies - Standard & Poor's, A.M. Best, Fitch, and Moody's. If an insurance company does not have a financial strength rating from any of these four rating agencies, Söderberg & Partners provides a rating based on an in-house analysis.

In the report, the insurance companies have been assigned to categories to facilitate comparisons:

- Category 1 - Global insurers
- Category 2 - Regional insurers
- Category 3 - Local insurers
- Category 4 - Other/Niche insurers
- Category 5 - Marine insurers

Rating actions Q3 2023

- Moody's has upgraded the financial strength rating of Atradius Credito y Caución SA from A2 to A1. The rating is given with a stable outlook.
 - Moody's has upgraded the financial strength rating of Euler Hermes SA from Aa3 to Aa2. The rating is given with a stable outlook.
 - Fitch has upgraded the financial strength rating of Assicurazioni Generali S.p.A. from A to A+. The rating is given with a stable outlook.
 - Moody's has upgraded the financial strength rating of Storebrand Livsforsikring AS from A3 to A2. The rating is given with a stable outlook.
 - Storebrand Helseforsikring AS is upgraded to green rating with negative outlook. The company has initiated plans to strengthen the solvency ratio which in Q2 showed significant improvement compared to Q1. The company will remain on watch through 2023 to ascertain further positive and stable operations before being considered for a stable green rating once again.
- and persistently bad underwriting results combined with a general cool-off in the market on which the company operates.
- Idun Liv Försäkring AB is included in the Local section with a pending rating awaiting the annual results from 2023.
 - The rating for Aetna Health Insurance Company of Europe DAC is removed due to lack of financial information from the company.
 - Some newly included insurance companies may be marked with "pending" to indicate that the rating process is still ongoing, pending the publications of their latest financial statements. Ratings for these insurance companies will be included in future reports as soon as their ratings have been determined.

New in this report

- This report also includes summary financial statistics from the insurance companies' financial statements 2022. See graphs in each sub-section.
- Domus Forsikring A/S is included in the Local section and is awarded a red rating due to low solvency ratio



Financial strength ratings

Standard & Poor's, Fitch, Moody's, and A.M. Best use the following rating scales for insurer financial strength.

The tables below display the delimitations for whether an insurance company's financial strength can be assessed as good (above red line) or as weak (below red line).

Söderberg & Partners advises clients against entering insurance contracts with insurance companies that have an IFSR below the red line.

Each rating mark is associated with a certain past incidence of default or financial impairment.¹ The rating indicates a cumulative rate at which collectives of insurers with given ratings have defaulted or become financially impaired over a certain period. A group of insurance companies that for instance held a rating of BBB from Standard & Poor's carried a default rate of 0.34 percent over a two-year observation period and a default rate of

3.76 percent over a 15-year observation period. The corresponding default rate for insurers rated A was 0.13 percent and 1.79 percent. Measured over a two-year period, insurance companies with BBB ratings were about two-and-a-half times as likely to default or become financially impaired as insurance companies with A ratings.²

The rating agency A.M. Best finds that insurance companies with an in-house rating of A had a 0.32 percent probability of becoming financially impaired over a period of two years and a corresponding 4.53 percent probability over 15 years.³

It is important to acknowledge that insurance companies, like other companies, always run the risk of becoming default or financially impaired regardless of their financial strength ratings.

Standard & Poor's		Fitch		Moody's		A.M. Best	
AAA	Extremely strong	AAA	Exceptionally strong	Aaa	Highest quality	A++	Superior
AA+	Very strong	AA+	Very strong	Aa1	High quality	A+	Superior
AA	Very strong	AA	Very strong	Aa2	High quality	A	Excellent
AA-	Very strong	AA-	Very strong	Aa3	High quality	A-	Excellent
A+	Strong	A+	Strong	A1	Upper-medium grade	B++	Good
A	Strong	A	Strong	A2	Upper-medium grade	B+	Good
A-	Strong	A-	Strong	A3	Upper-medium grade	B	Fair
BBB+	Adequate	BBB+	Good	Baa1	Moderate risk	B-	Fair
BBB	Adequate	BBB	Good	Baa2	Moderate risk	C++	Marginal
BBB-	Adequate	BBB-	Good	Baa3	Moderate risk	C+	Marginal
BB+	Less vulnerable	BB+	Moderately weak	Ba1	Substantial risk	C	Weak
BB	Less vulnerable	BB	Moderately weak	Ba2	Substantial risk	C-	Weak
BB-	Less vulnerable	BB-	Moderately weak	Ba3	Substantial risk	D	Poor
B+	More vulnerable	B+	Weak	B1	High risk		
B	More vulnerable	B	Weak	B2	High risk		
B-	More vulnerable	B-	Weak	B3	High risk		
CCC+	Currently vulnerable	CCC+	Very weak	Caa1	Very high risk		
CCC	Currently vulnerable	CCC	Very weak	Caa2	Very high risk		
CCC-	Currently vulnerable	CCC-	Very weak	Caa3	Very high risk		
CC	Currently highly vulnerable	CC	Extremely weak	Ca	Very near default		
C	Currently highly vulnerable	C	Distressed	C	In default		

¹ A.M. Best has designated an insurer as a Financially Impaired Company upon first official regulatory action taken by a state insurance department. Such actions include involuntary liquidation because of insolvency as well as other regulatory processes and procedures, such as supervision, rehabilitation, receivership, conservatorship, a cease-and-desist order, suspension, license revocation, administrative order, and any other action that restricts a company's freedom to conduct its insurance business as normal.

² Standard & Poor's. (2023). *2022 Annual Global Corporate Default and Rating Transition Study*. Table 26.

³ A.M. Best. (2019). *Best's Impairment Rate and Rating Transition Study - 1977 to 2018*. Exhibit 9.

Financial strength ratings and default rates

The financial strength ratings provided by rating agencies are recognized parameters of credit quality in the insurance industry. Ratings may also impact debt covenants and reinsurance programmes that an insurance company is involved in. The higher the rating, the greater the assessed financial strength, which historically has been correlated with a lower risk of default or financial impairment.

The observed two- and 15-year rates of default or financial impairment that correspond to the insurers' financial strength rating classes, as assigned by the rating agencies, are presented in the tables below. Note that the default rates are estimated from studies carried out by the rating agencies themselves.

Historically observed rates of default or financial impairment

Standard & Poor's (2022)		
Rating	2 year	15 year
AAA	0,03%	0,89%
AA+	0,05%	0,69%
AA	0,03%	1,18%
AA-	0,08%	0,78%
A+	0,08%	1,55%
A	0,13%	1,79%
A-	0,15%	1,66%
BBB+	0,24%	2,87%
BBB	0,34%	3,76%
BBB-	0,64%	6,31%
BB+	0,90%	8,04%
BB	1,43%	12,29%
BB-	2,82%	18,45%
B+	5,20%	24,01%
B	6,69%	24,58%
B-	11,73%	32,28%
CCC/C	35,37%	51,55%

AM Best (2019)		
Rating	2 year	15 year
A++	0,00%	0,00%
A+	0,17%	2,81%
A	0,32%	4,53%
A-	0,67%	5,73%
B++	1,23%	7,31%
B+	1,52%	9,83%
B	2,80%	12,86%
B-	7,46%	19,34%
C++/C+	5,31%	18,50%
C/C-	7,52%	24,97%
D	10,71%	29,54%

Fitch (2022)		
Rating	2 year	10 year
AAA	0,02%	1,35%
AA+	--	--
AA	--	--
AA-	0,08%	0,14%
A+	0,06%	0,39%
A	0,19%	1,79%
A-	0,14%	1,27%
BBB+	0,13%	1,53%
BBB	0,29%	2,61%
BBB-	0,57%	3,83%
BB+	1,23%	7,49%
BB	1,45%	7,10%
BB-	2,32%	7,88%
B+	3,89%	11,01%
B	5,26%	15,96%
B-	6,75%	11,60%
CCC to C	30,35%	41,03%

Moody's (2022)		
Rating	2 year	15 year
Aaa	0,01%	0,12%
Aa1	0,00%	0,66%
Aa2	0,01%	1,21%
Aa3	0,11%	1,34%
A1	0,17%	2,51%
A2	0,13%	3,64%
A3	0,15%	3,49%
Baa1	0,26%	4,53%
Baa2	0,41%	5,32%
Baa3	0,67%	8,17%
Ba1	1,53%	14,12%
Ba2	2,07%	19,68%
Ba3	3,67%	32,31%
B1	5,16%	38,02%
B2	7,61%	44,89%
B3	10,23%	50,36%
Caa	13,84%	52,76%
Ca-C	44,65%	70,46%
IG	0,24%	3,51%
SG	8,37%	37,72%

A blurred background image of a financial trading interface. It features a candlestick chart with blue and yellow bars, overlaid with a yellow trend line. At the top, there are various trading controls and data points, including 'Bid', 'Ask', 'Auto', and 'Shift' buttons, and a price display for 'GBPUSD M15' showing '1.45053' and '1.4508'.

ANALYSIS OF FINANCIAL STRENGTH

Global Insurers

Ratings

Global insurer ratings

As of October 2023

Insurance company	Kort navn	Standard & Poor's	A.M. Best	Fitch	Moody's	Söderberg & Partners
AIG Europe SA	AIG	A+	-	-	A2	-
Allianz Global Corporate & Specialty SE	Allianz GCS	AA	A+	-	-	-
AmTrust Europe Limited	AmTrust	-	A-	-	-	-
ArgoGlobal SE (in run-off)	ArgoGlobal	-	-	-	-	gray
Atradius Credito y Caucion SA	Atradius	-	A	-	A1 ↑	-
AXA XL	AXA	AA-	A+	-	A1	-
Berkshire Hathaway III	Berkshire Hathaway	AA+	-	-	-	-
Bupa Global DAC	Bupa Global	-	-	-	-	green
Chubb European Group SE	Chubb	AA	A++	-	-	-
CNA Insurance Company (Europe) SA	CNA	A+	-	-	-	-
Coface SA	Coface	-	A	AA-	A1	-
Euler Hermes SA ("Allianz Trade")	Euler Hermes	AA	-	-	Aa2 ↑	-
Fidelis Insurance Ireland DAC	Fidelis	A-	A	-	A3	-
Factory Mutual Insurance Company	FM Global	A+	A+	AA	-	-
Assicurazioni Generali S.p.A.	Generali	-	-	A+ ↑	A3	-
Great American International Insurance (EU) DAC	Great American	A+	-	-	-	-
Hamilton Insurance DAC	Hamilton	-	A-	-	-	-
Hannover Rück SE	Hannover Re	AA-	A+	AA-	-	-
HDI Global SE	HDI Global	A+	A+	-	-	-
HDI Global Specialty SE	HDI Global Specialty	A+	A+	-	-	-
Hiscox SA	Hiscox	A	-	-	-	-
Korean Reinsurance Co.	Korean Re	A	A	-	-	-
Kuwait Reinsurance Co. K.S.C.	Kuwait RE	A-	A-	-	-	-
LeasePlan Insurance	LeasePlan	-	-	-	-	green
Lloyd's Insurance Company SA	Lloyd's	A+	A	AA-	-	-
Markel Insurance SE	Markel	A	A	-	-	-
Markel International Insurance Co. Ltd	Markel Intl	A	A	-	-	-
Munich Reinsurance Co.	Munich Re	AA-	A+	AA	Aa3	-
QBE Europe SA/NV	QBE	A+	A	A+	-	-
RSA Luxembourg SA	RSA Lux	-	A	AA-	A2	-
Royal & Sun Alliance Insurance Ltd	RSA Ltd	-	A	AA-	A2	-
SCOR Europe SE	SCOR	A+	-	-	-	-
Sompo Japan Insurance Inc	Sompo	A+	A+	-	A1	-
Swiss Life (Luxembourg) SA	Swiss Life	-	-	-	-	green
Swiss Re Europe SA	Swiss Re EU	AA-	A+	-	Aa3	-
Swiss Re International SE	Swiss Re Intl	AA-	A+	-	Aa3	-
Tokio Marine Europe SA	Tokio Marine	A+	-	-	-	-
Trust International Insurance and Reinsurance Company B.S.C.(C).	Trust Re	-	-	-	-	gray
W.R. Berkley Europe AG	W.R. Berkley	A+	-	-	-	-
Zurich Insurance Company Ltd	Zurich	AA	A+	AA	Aa3	-

Related default rates

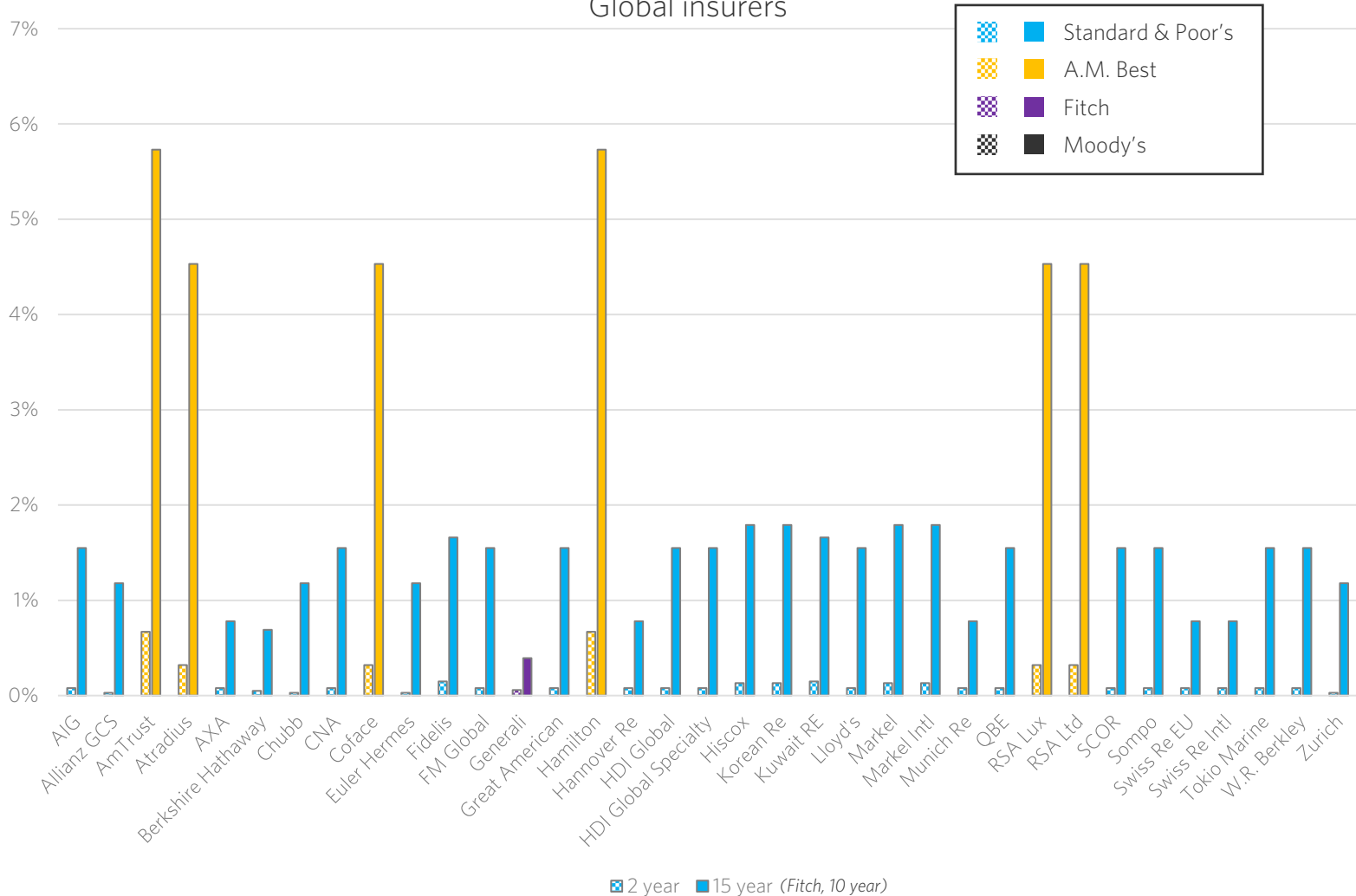
Financial strength ratings and default rates

The financial strength ratings provided by rating agencies are recognized parameters of credit quality in the insurance industry. Ratings may also impact debt covenants and reinsurance programmes that an insurance company is involved in. The higher the rating, the greater the assessed financial strength, which historically has been correlated with a lower risk of default or financial impairment.

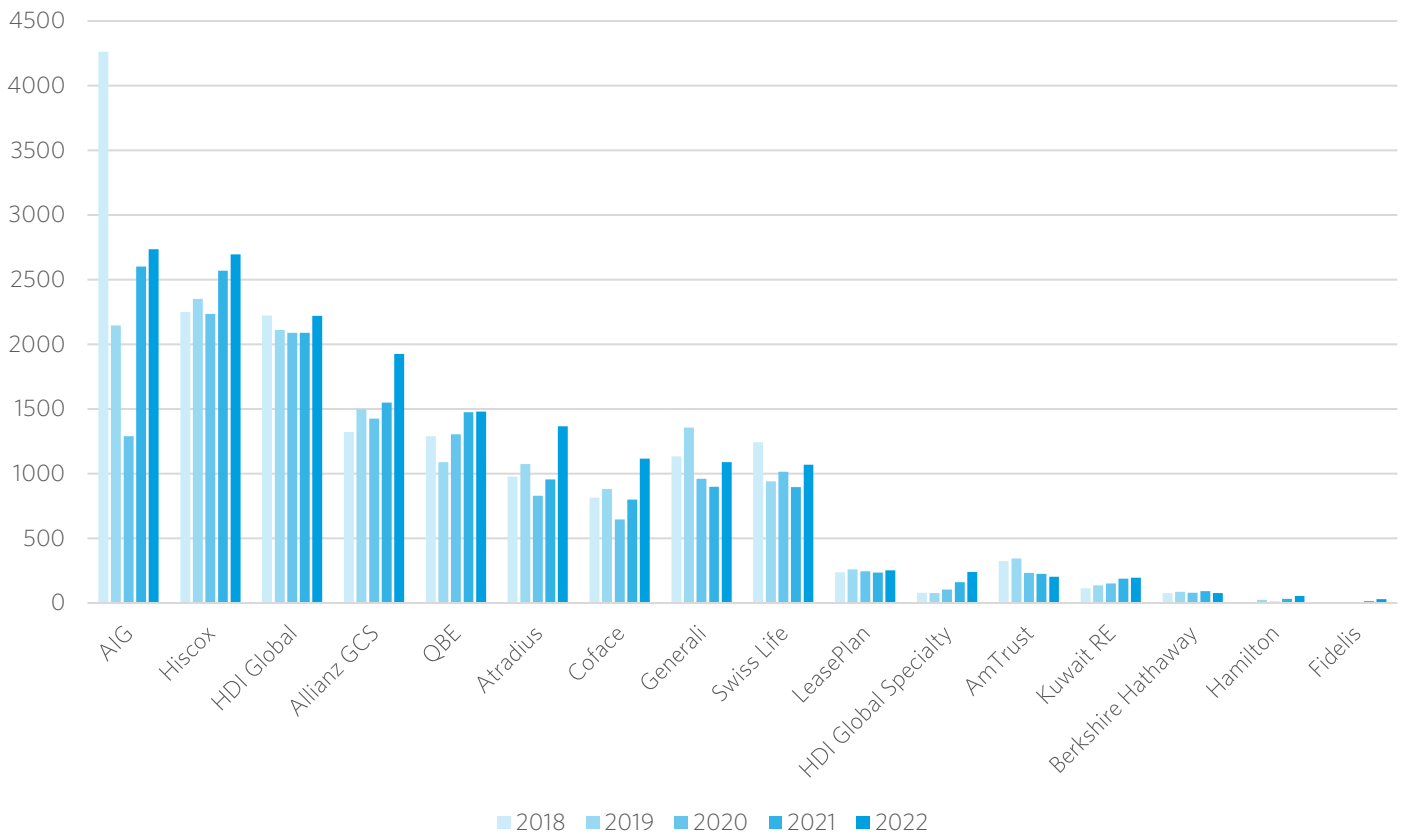
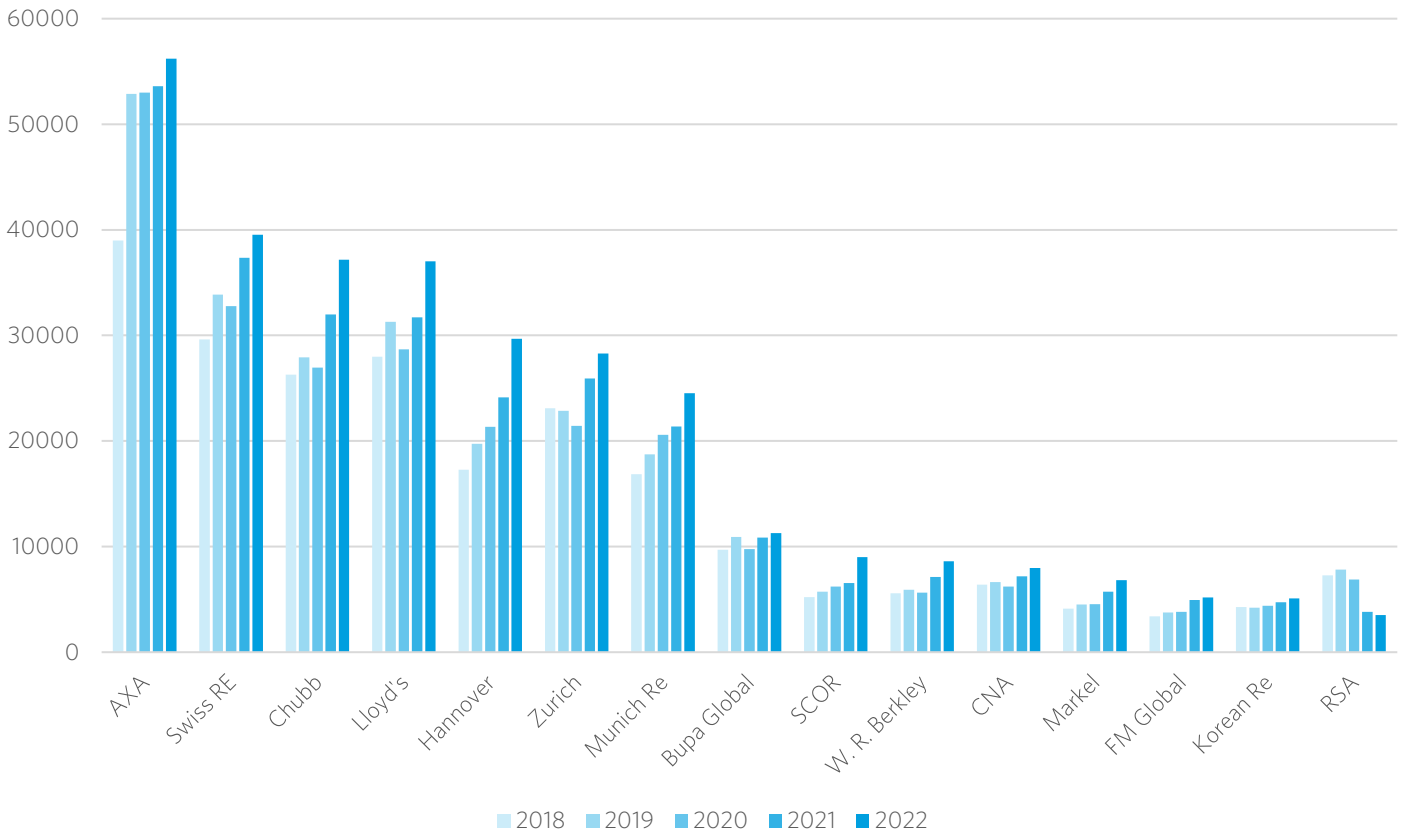
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Historically observed rates of default or financial impairment

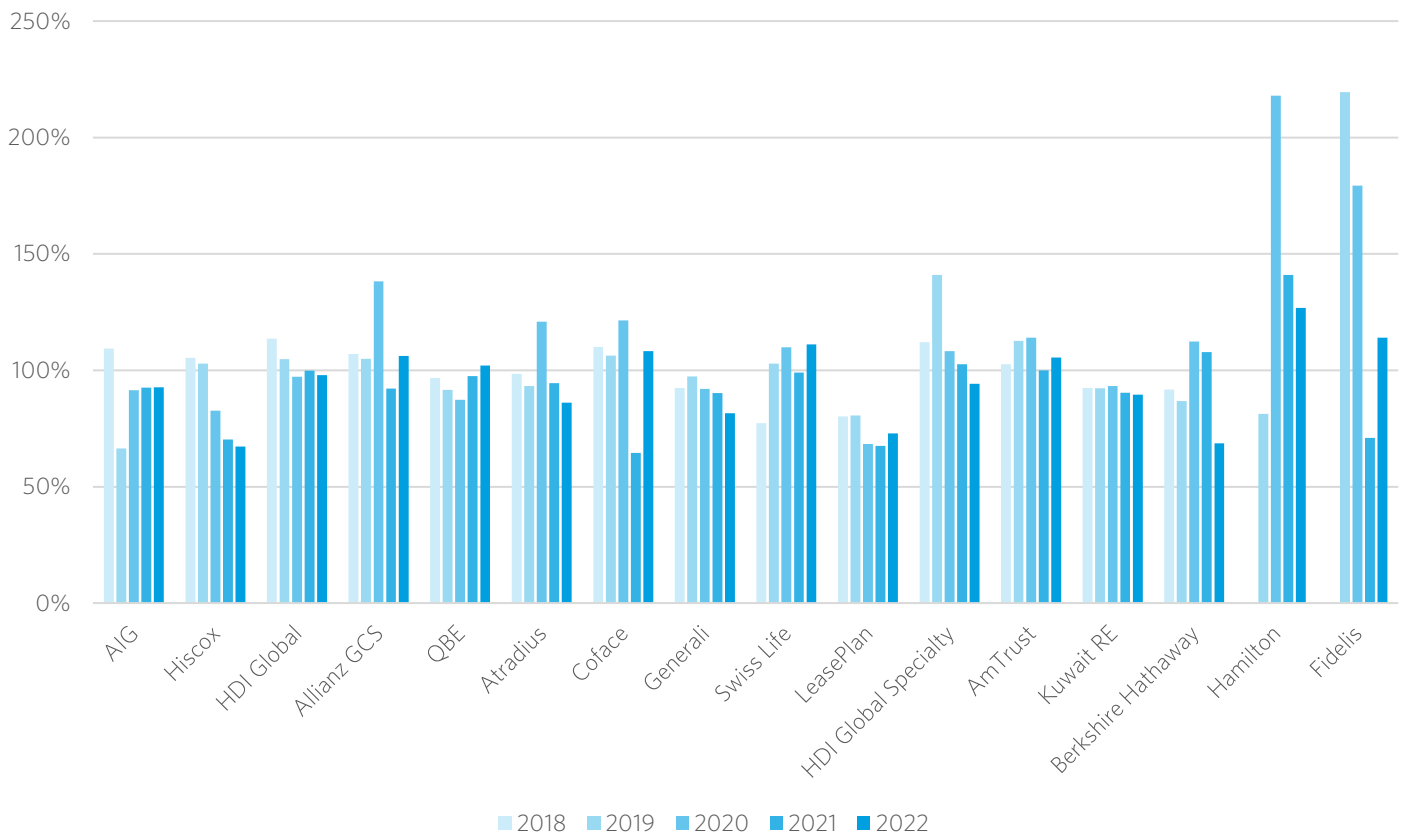
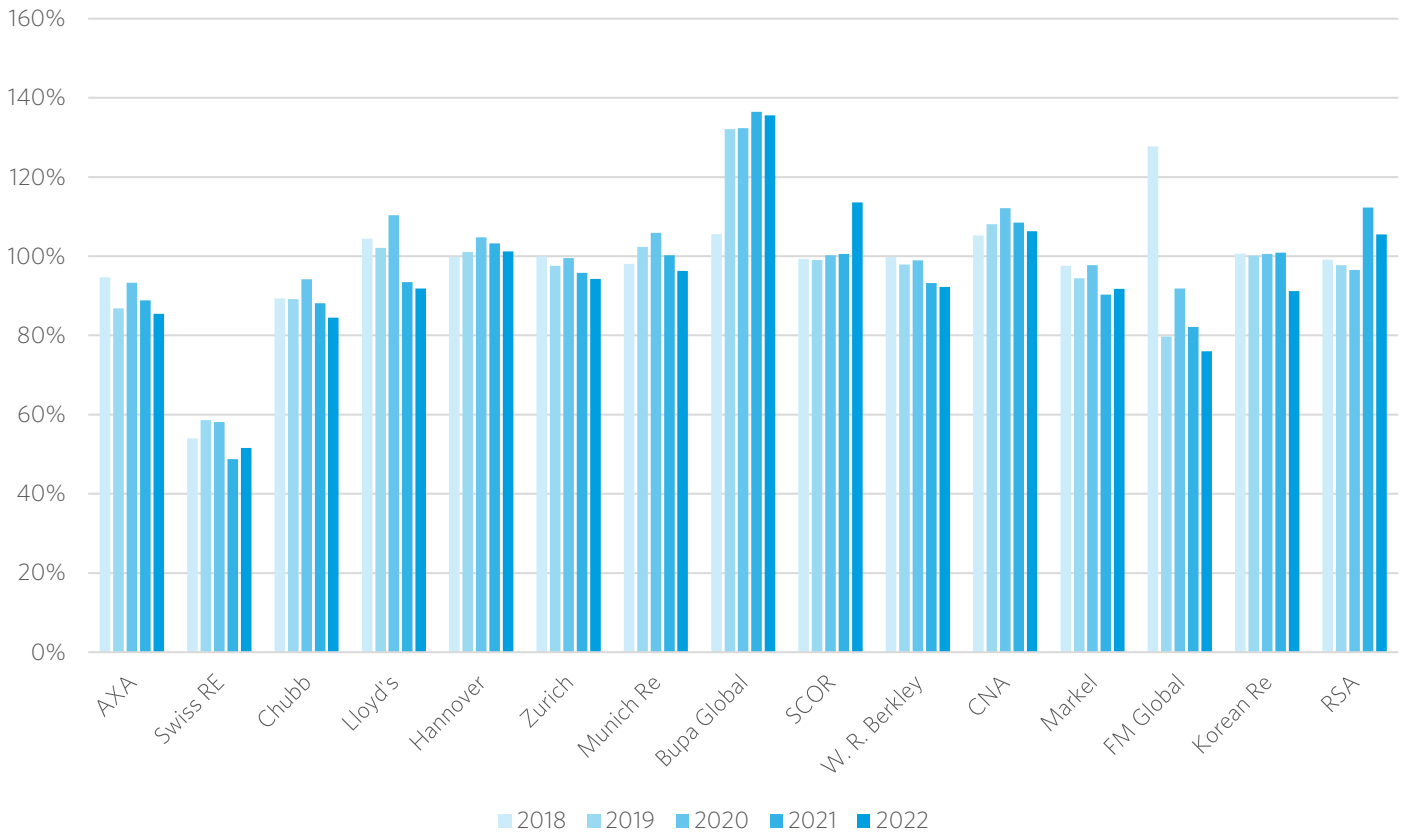
Global insurers



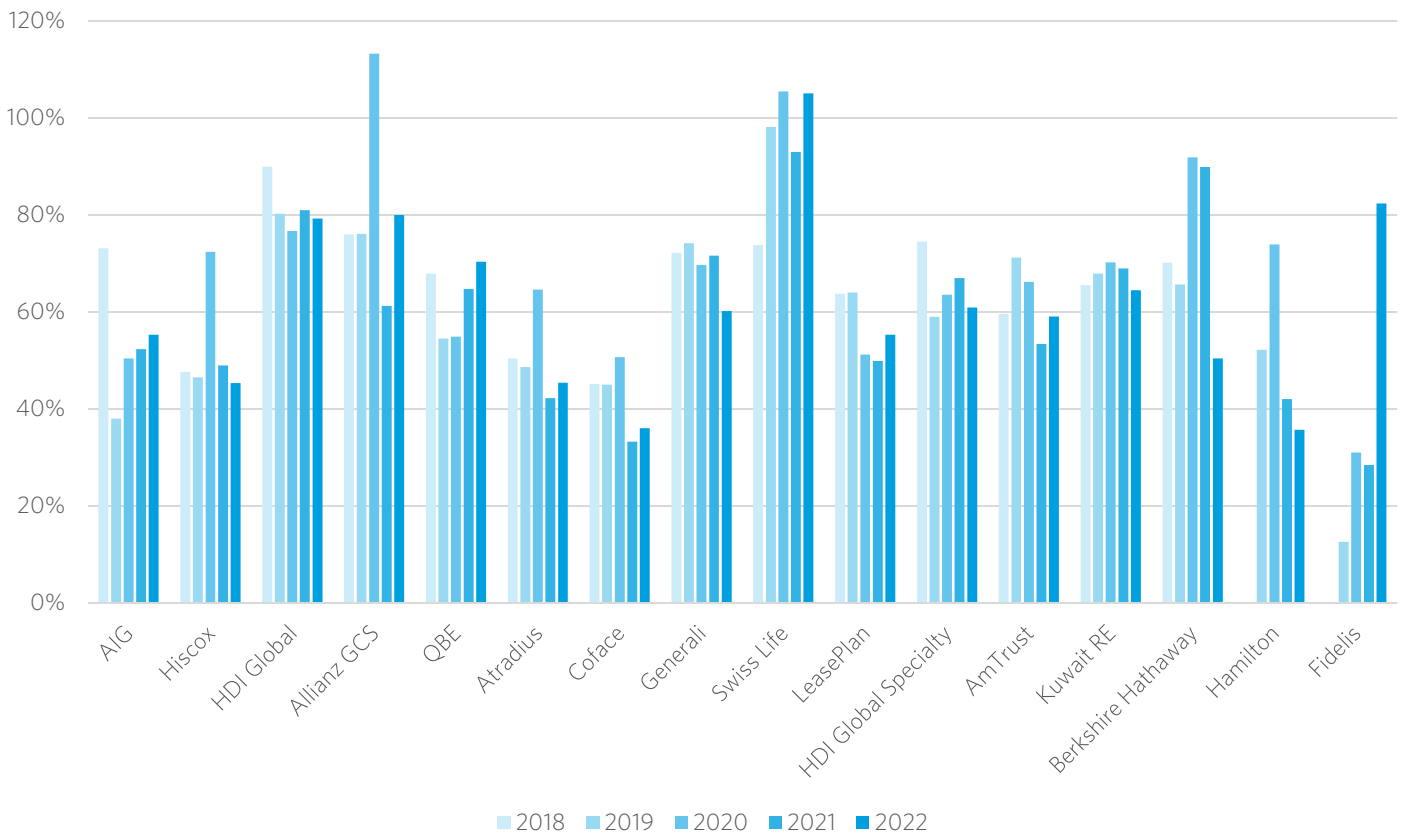
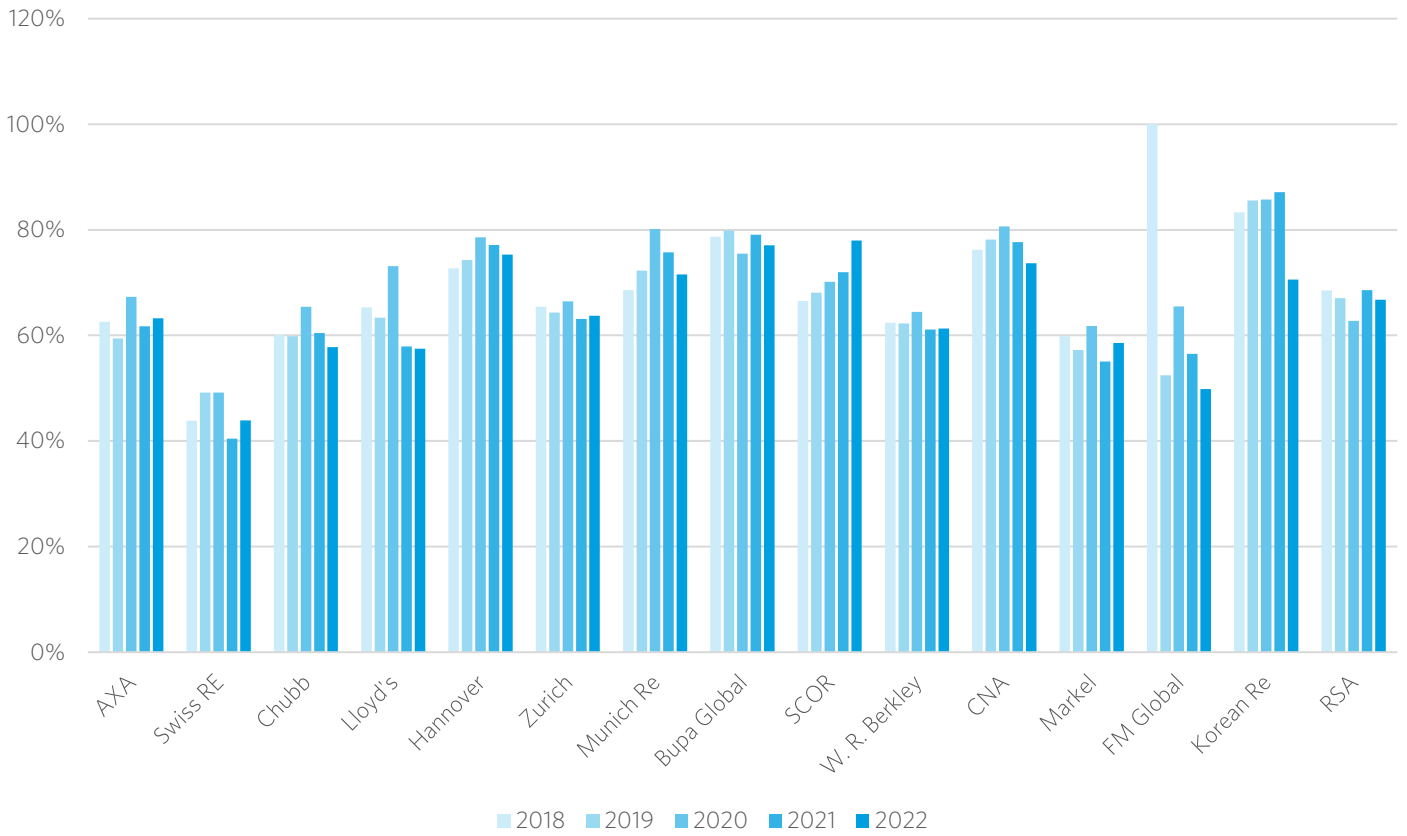
Premiums earned (Global insurers, MEUR)



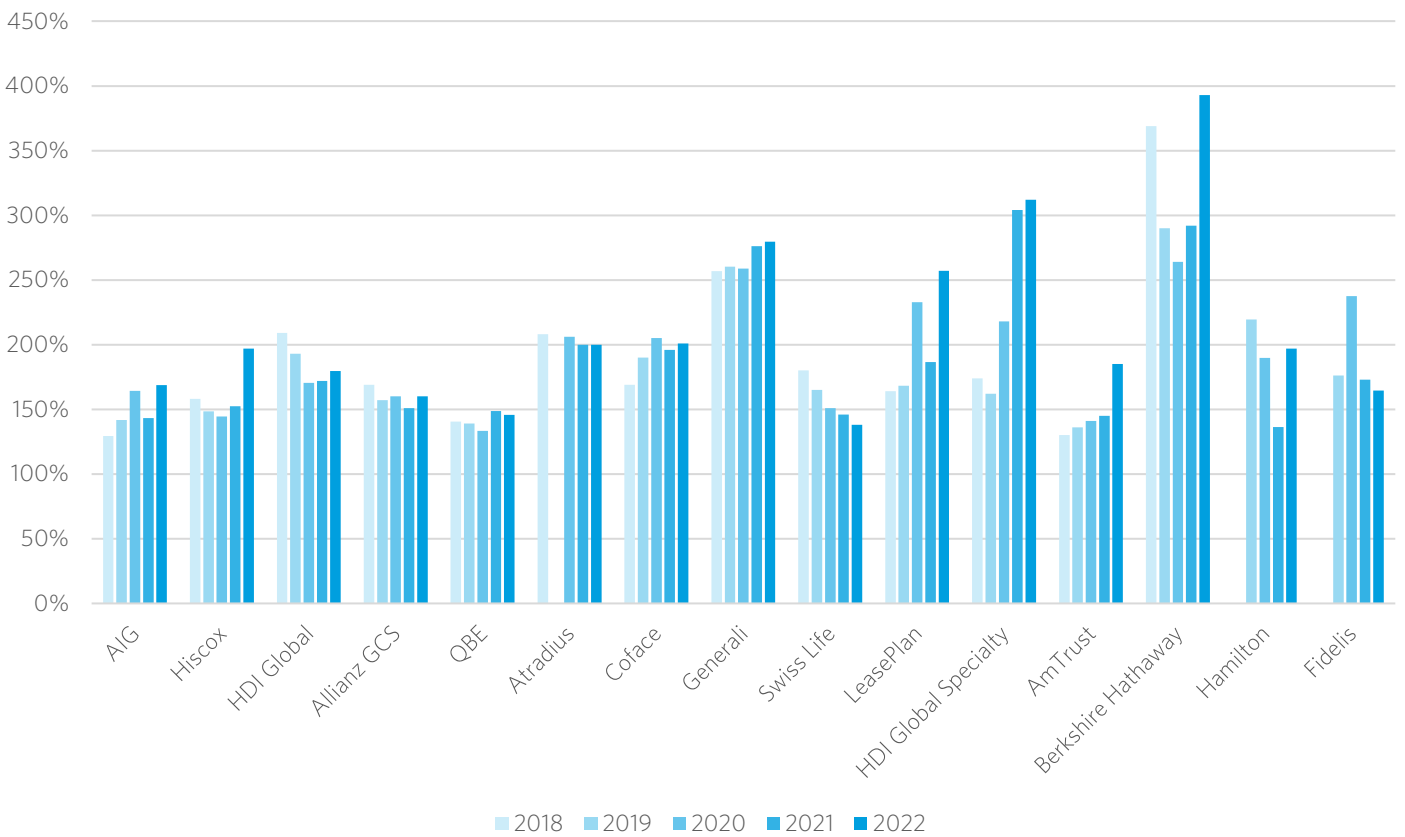
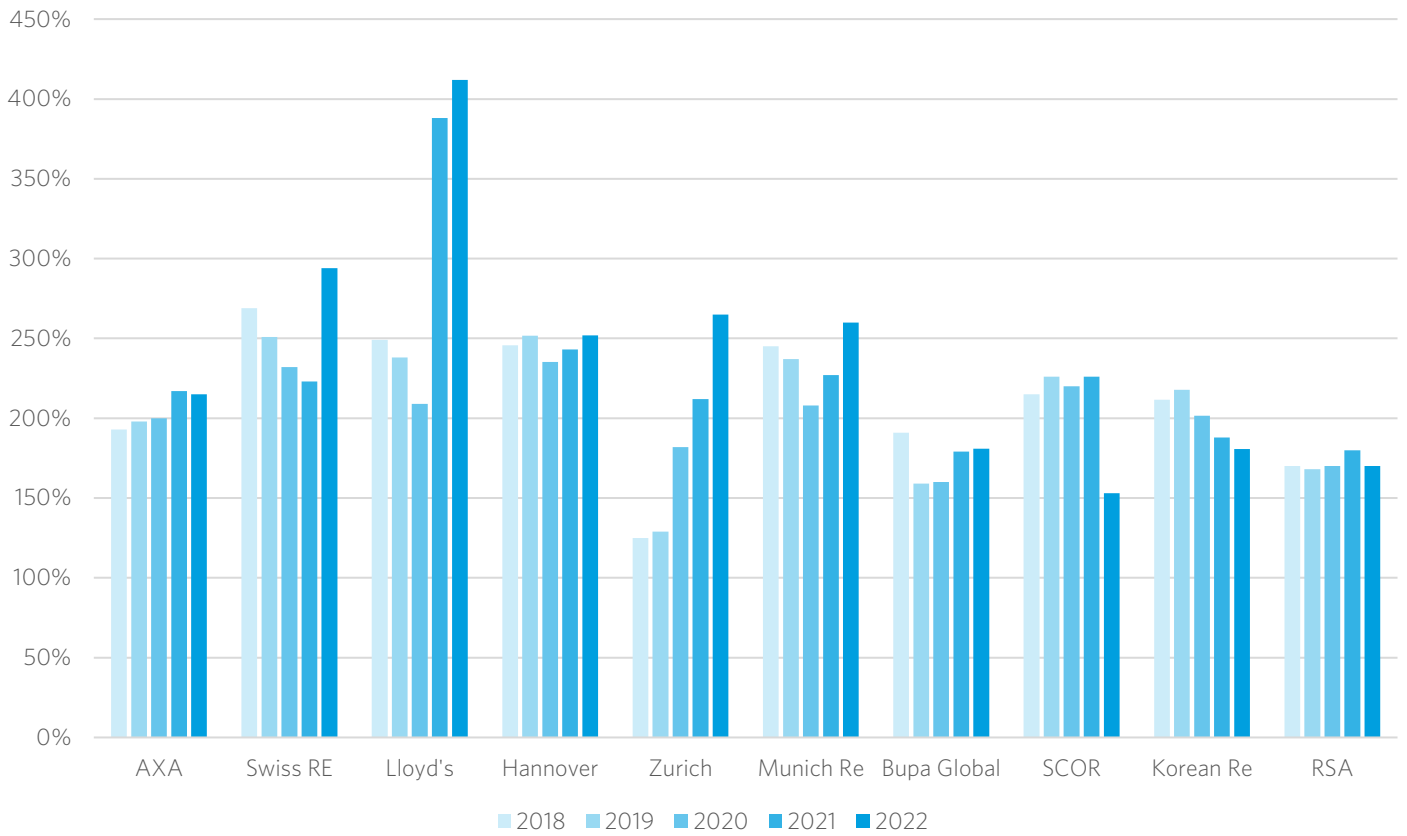
Combined ratio (Global insurers)



Loss ratio (Global insurers)

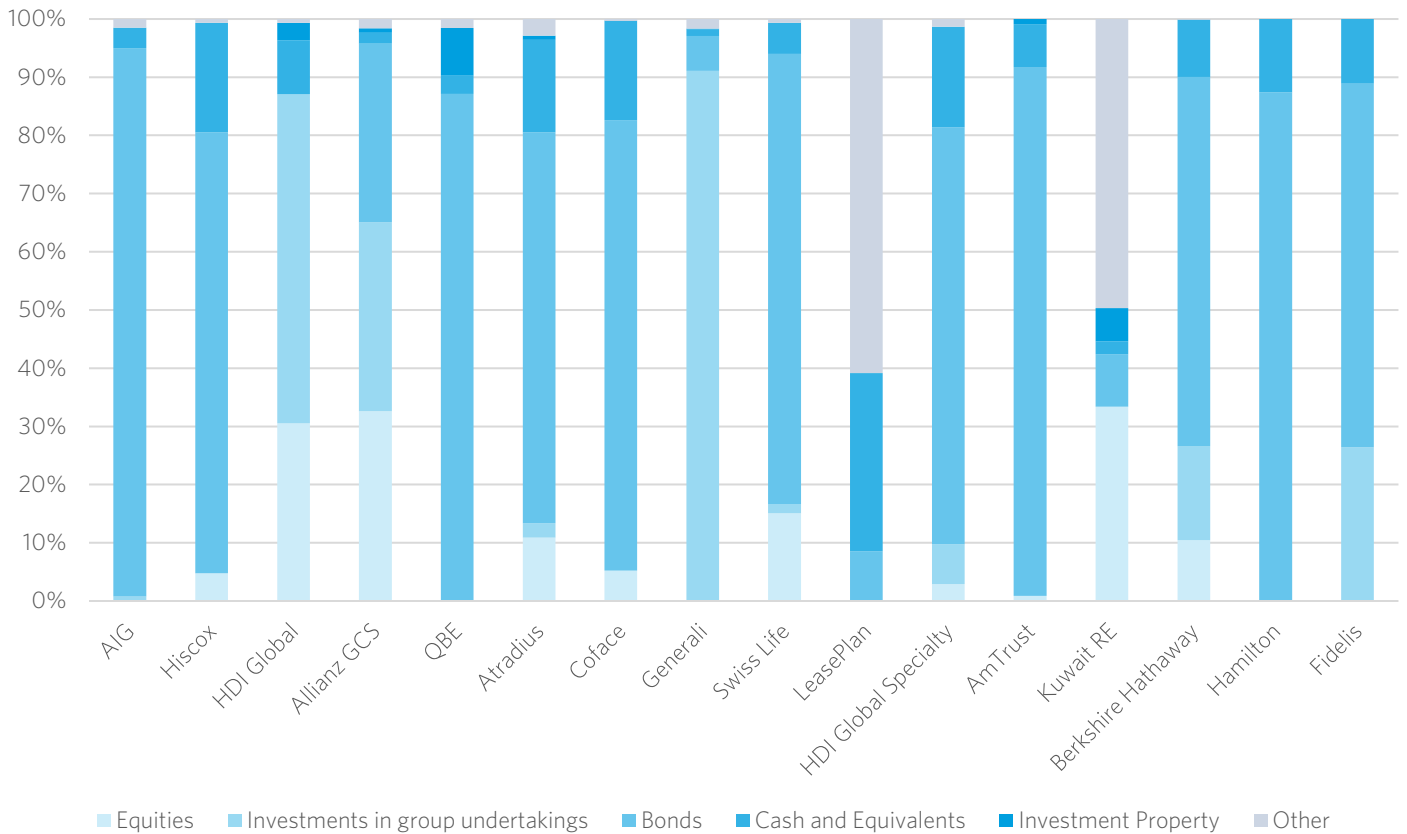
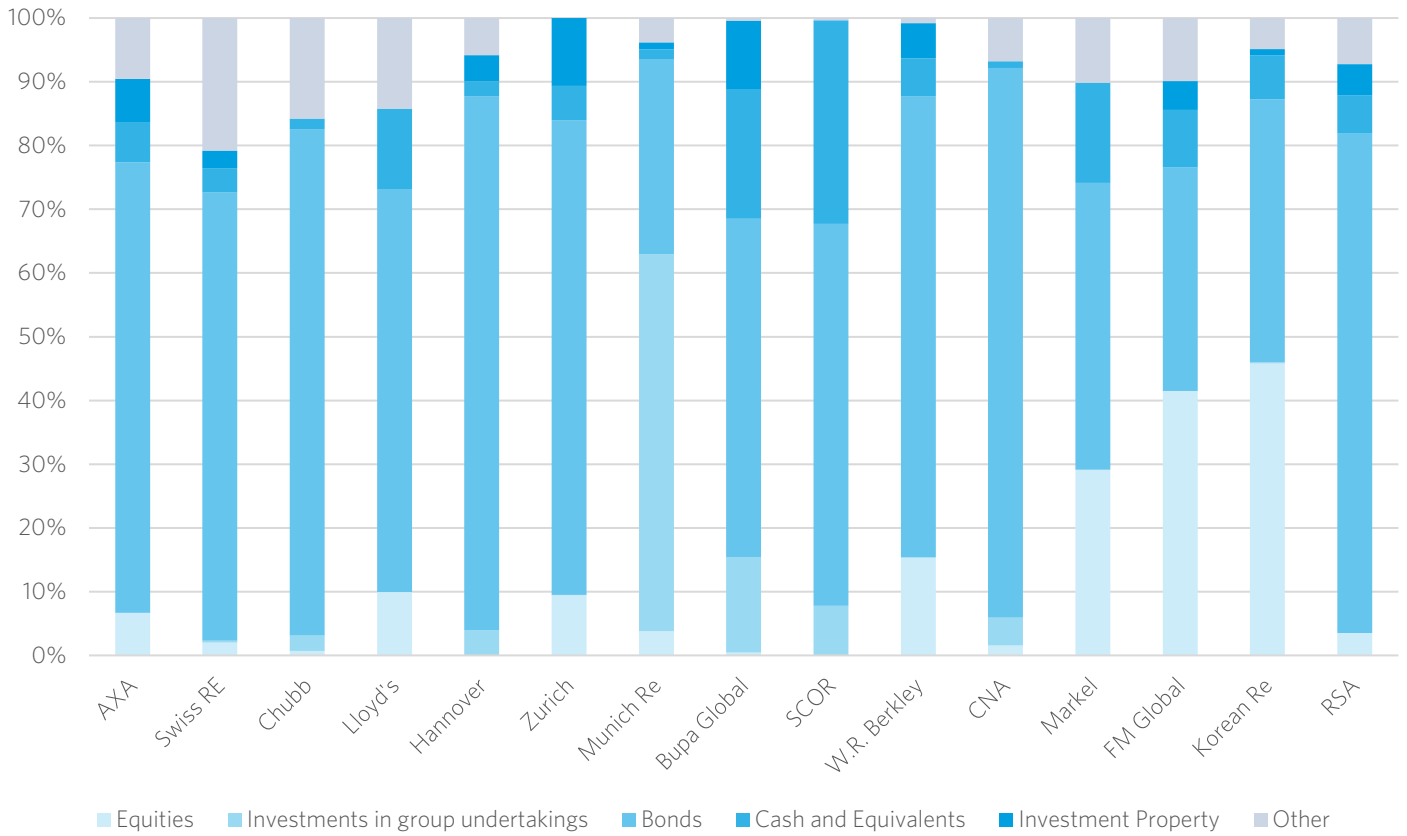


Solvency ratio* (Global insurers)

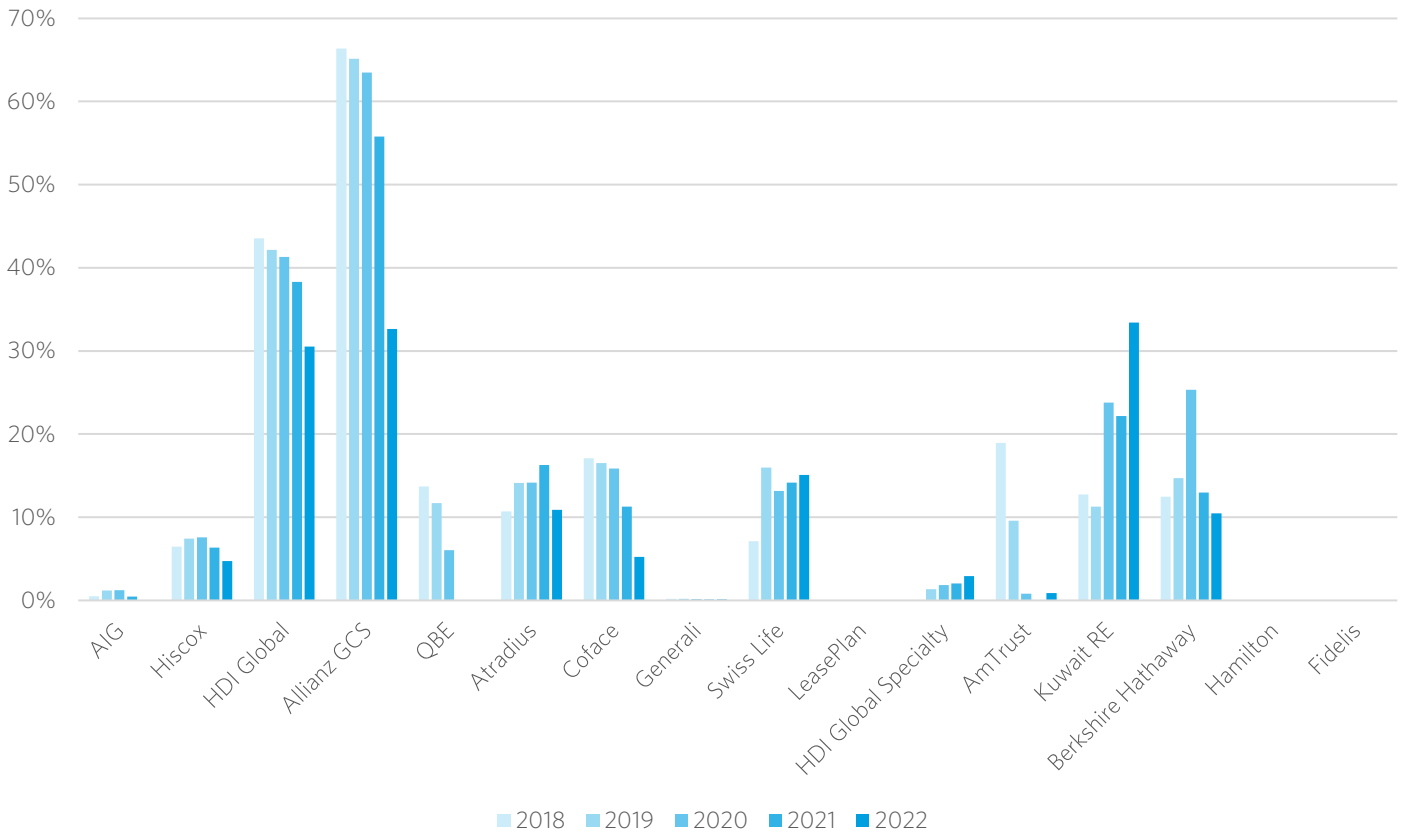
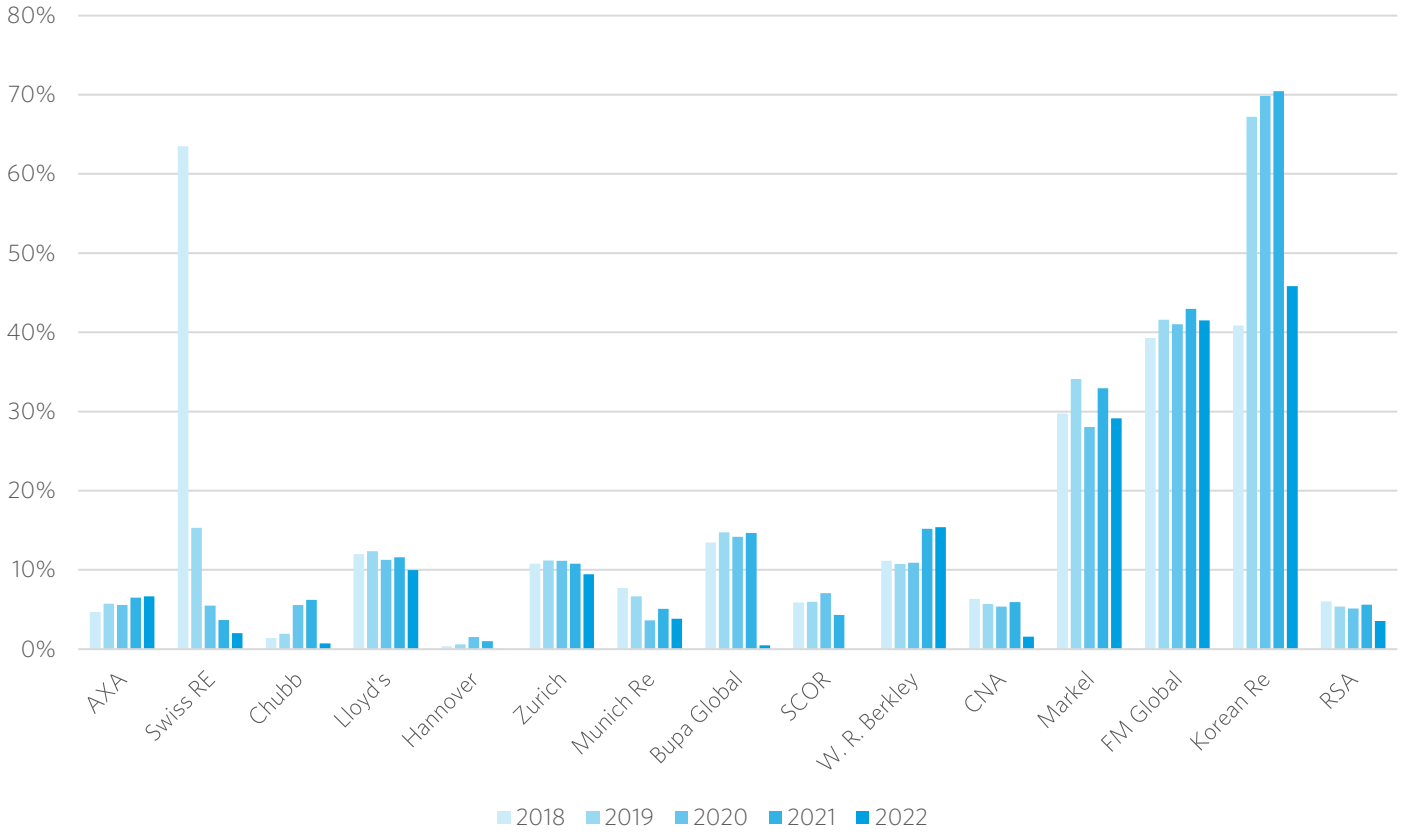


* Only including companies that report their solvency ratios under the Solvency II standard.

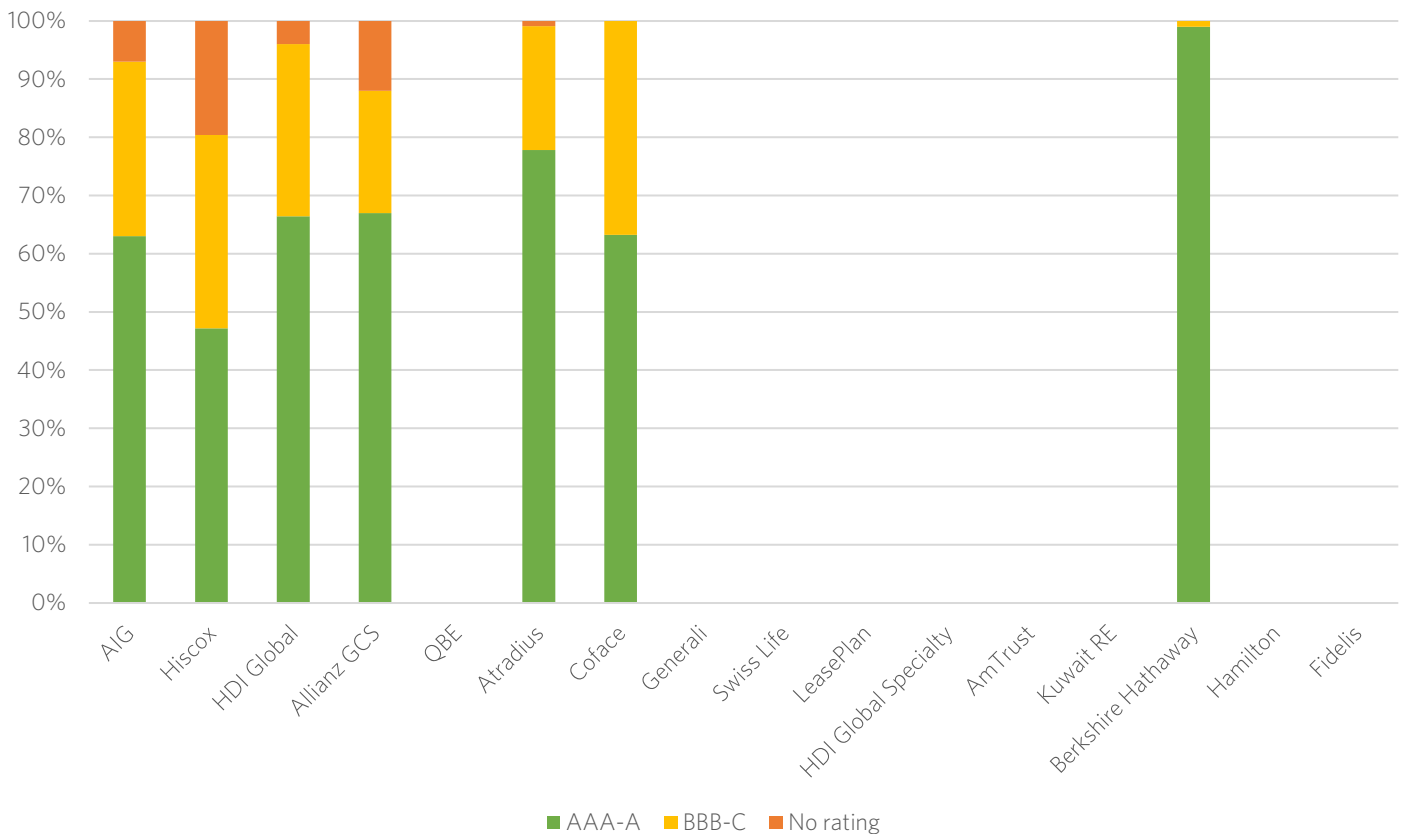
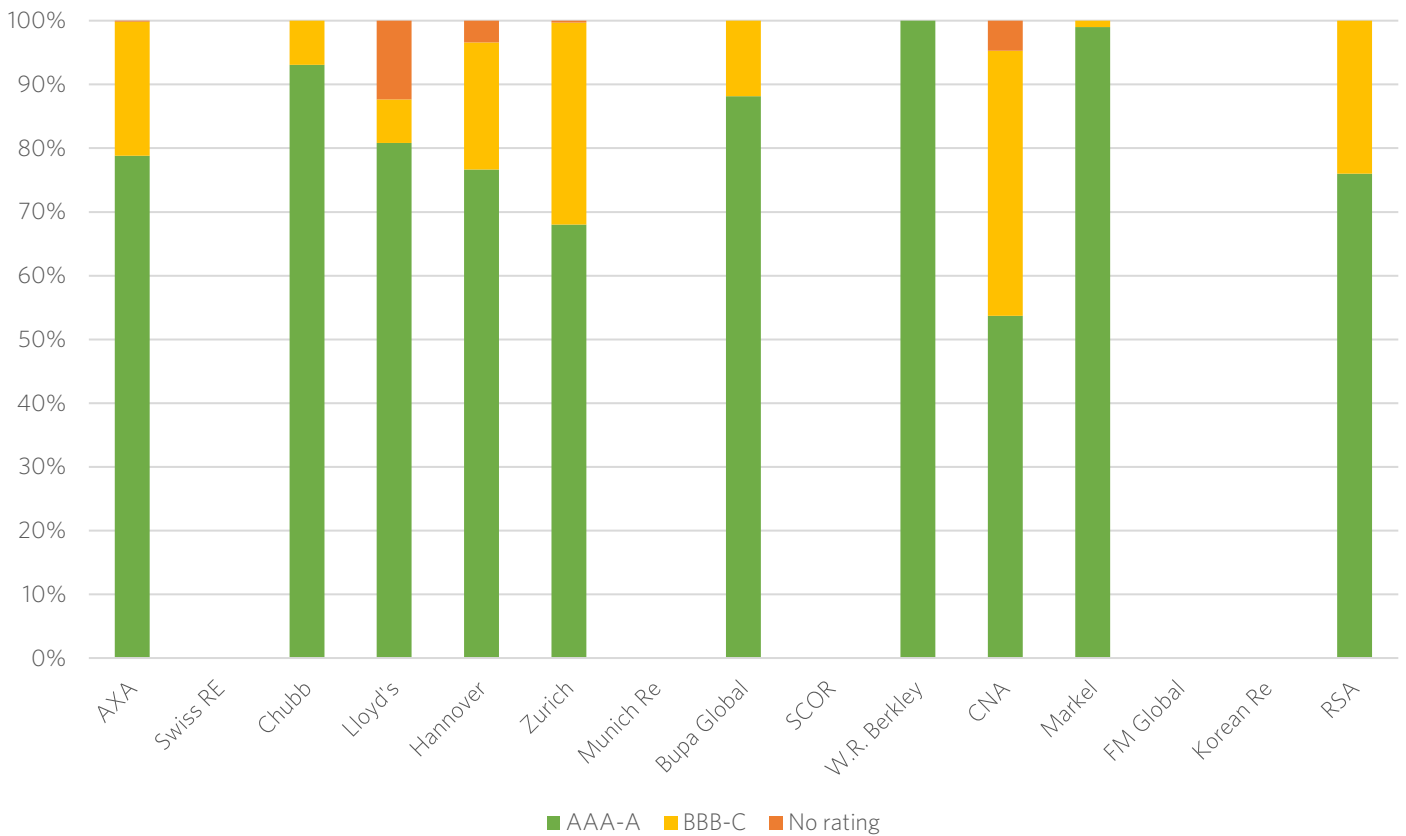
Financial asset composition (Global insurers, 2022)



Stocks as percent of financial assets (Global insurers)



Fixed income portfolio rating* (Global insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.



ANALYSIS OF FINANCIAL STRENGTH

Regional Insurers

Ratings

Regional insurer ratings

As of October 2023

Insurance company	Kort namn	Standard & Poor's	A.M. Best	Fitch	Moody's	Söderberg & Partners
Accept Försäkringsaktiebolag	Accept	-	-	-	-	green
Asia Capital Reinsurance Group Pte. Ltd (in run-off)	ACR	-	-	-	-	gray
BDM Antwerp (Federale Verzekering)	BDM	-	-	-	-	green
Codan Forsikring A/S	Codan	-	-	A+	-	-
Dina Försäkring AB	Dina	BBB+	-	-	-	-
Ergo Versicherung AG	Ergo	AA-	-	-	-	-
MS First Capital Insurance Ltd	First Capital	-	A	-	-	-
Folksam ömsesidig Sakförsäkring	Folksam	-	-	-	-	green
Gjensidige Forsikring ASA	Gjensidige	A	-	-	-	-
Helvetia Assurances SA	Helvetia	A+	-	-	-	-
If P&C Insurance Ltd	If	AA-	-	-	A1	-
India International Insurance Pte. Ltd	India Intl	A-	-	-	-	-
Länsförsäkringar Sak AB	Länsförsäkringar	A	-	-	A2	-
Maiden General Försäkrings AB	Maiden General	-	-	-	-	green
Maiden Life Försäkrings AB	Maiden Life	-	-	-	-	green
Mitsui Sumitomo Insurance Co. (Europe) Ltd	Mitsui	A+	-	-	-	-
Nürnberger Allgemeine Versicherungs AG	Nürnberger	-	-	A+	-	-
Peoples Insurance Company of China Property and Casualty Co. Ltd	PICC	-	-	-	A1	-
Protector Forsikring ASA	Protector	-	B++	-	-	-
Tryg Forsikring A/S (Moderna, Trygg-Hansa)	Tryg	-	-	-	A1	-
Ålands Ömsesidiga	Ålands	-	-	-	-	green

Related default rates

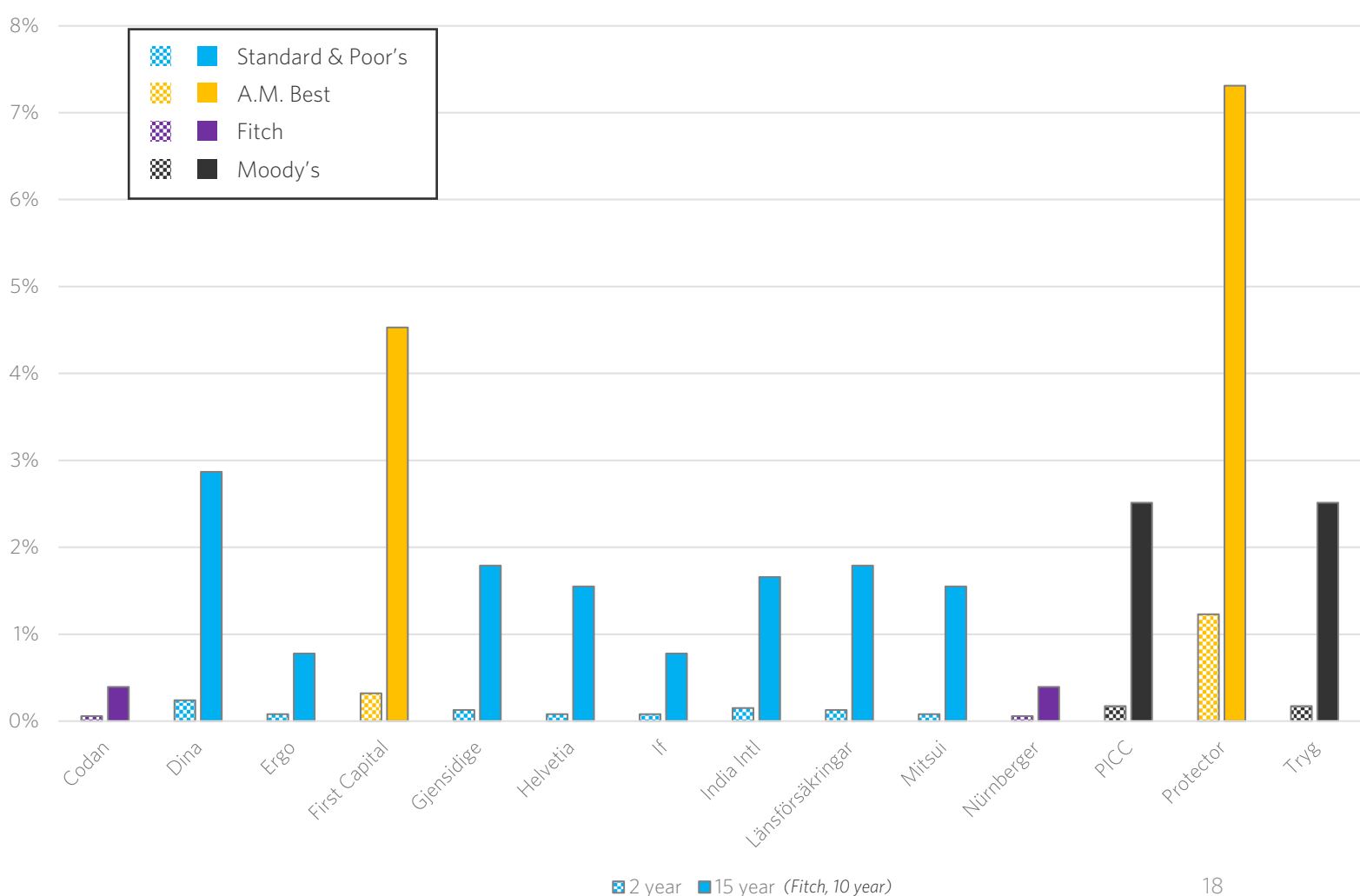
Financial strength ratings and default rates

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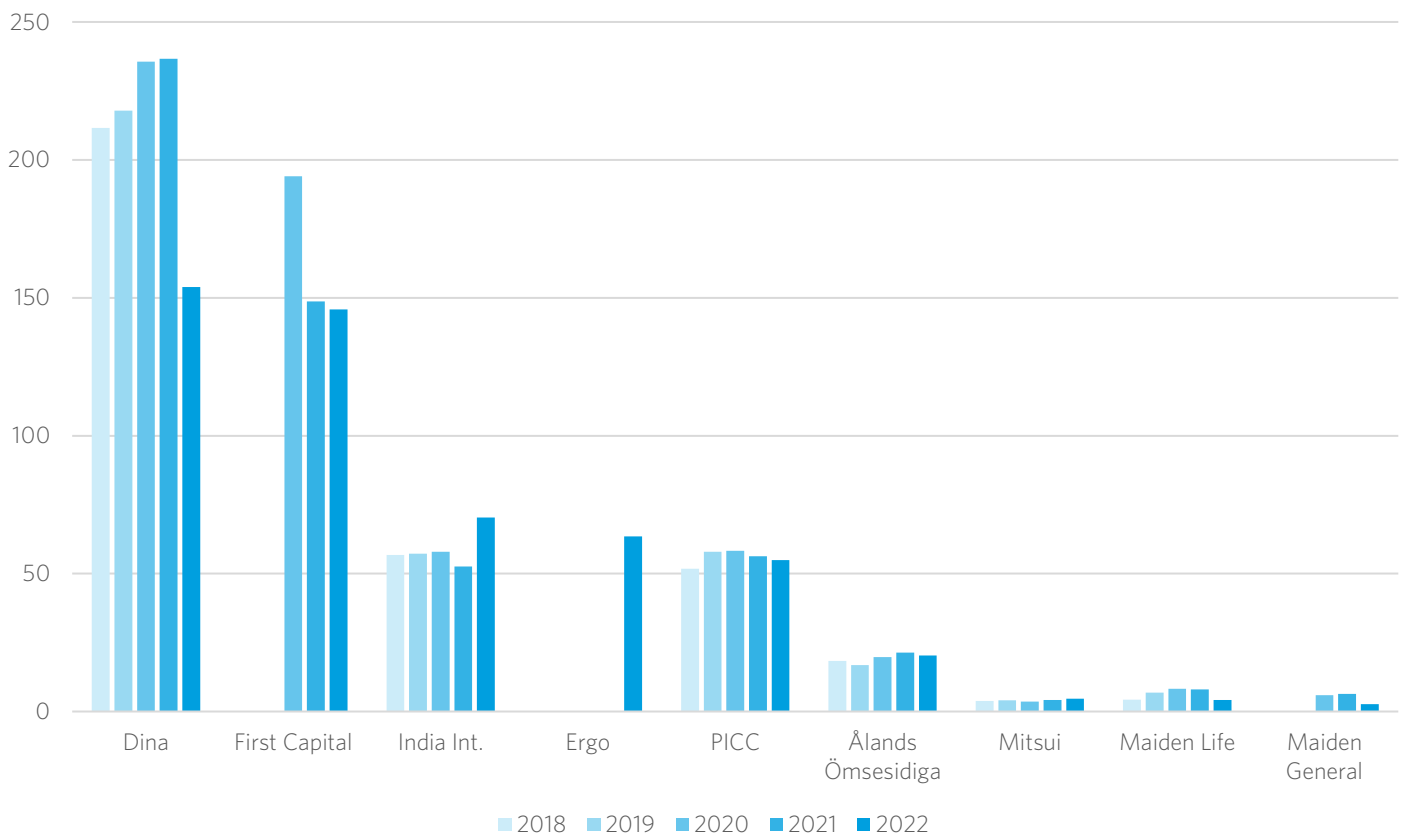
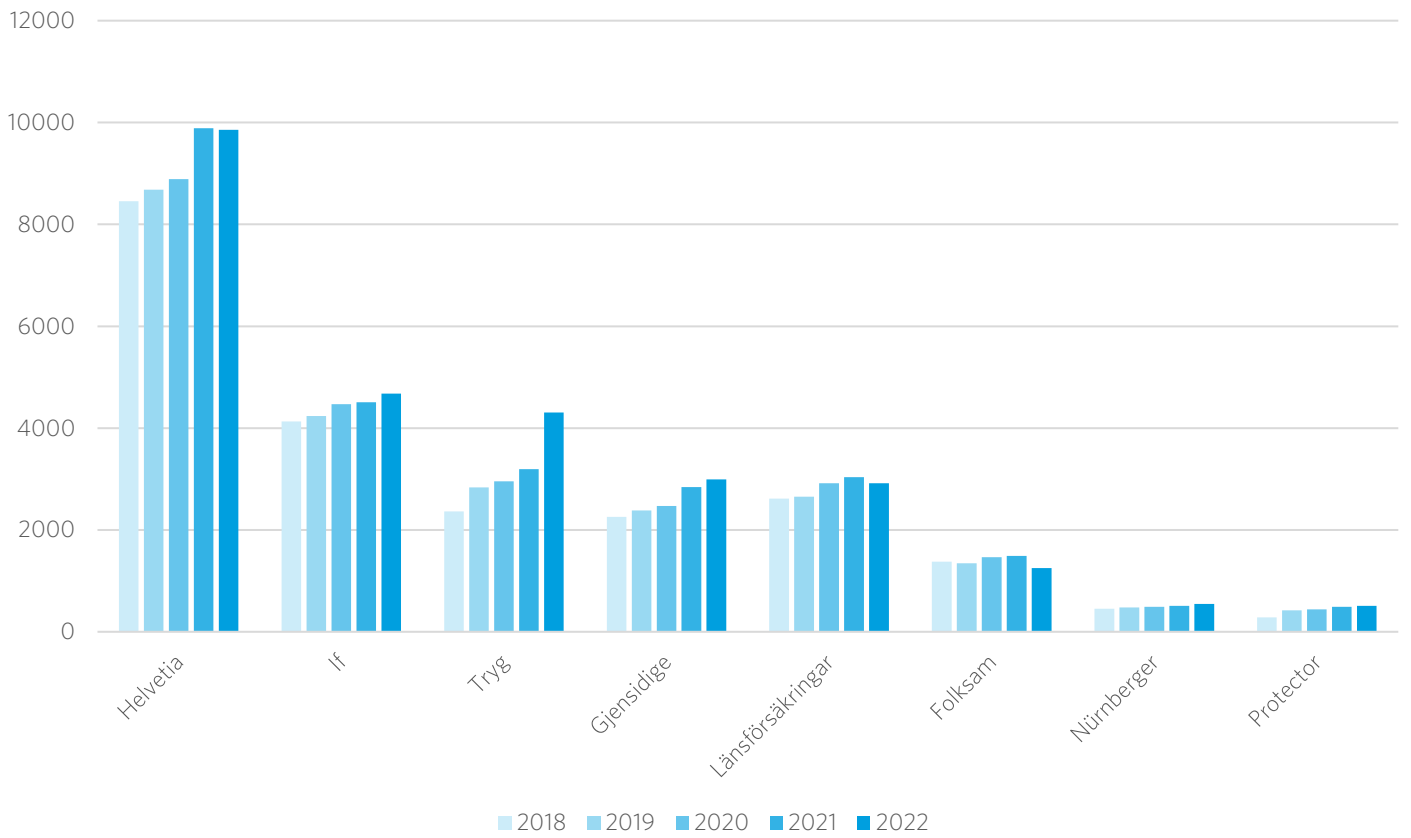
The observed two- and 15-year rates of default or financial impairment that correspond to the insurers' financial strength rating classes are presented in the graph below. Note that the default rates are estimated from studies carried out by the rating agencies themselves. Only insurers that are rated by a rating agency are included in the graph.

Historically observed rates of default or financial impairment

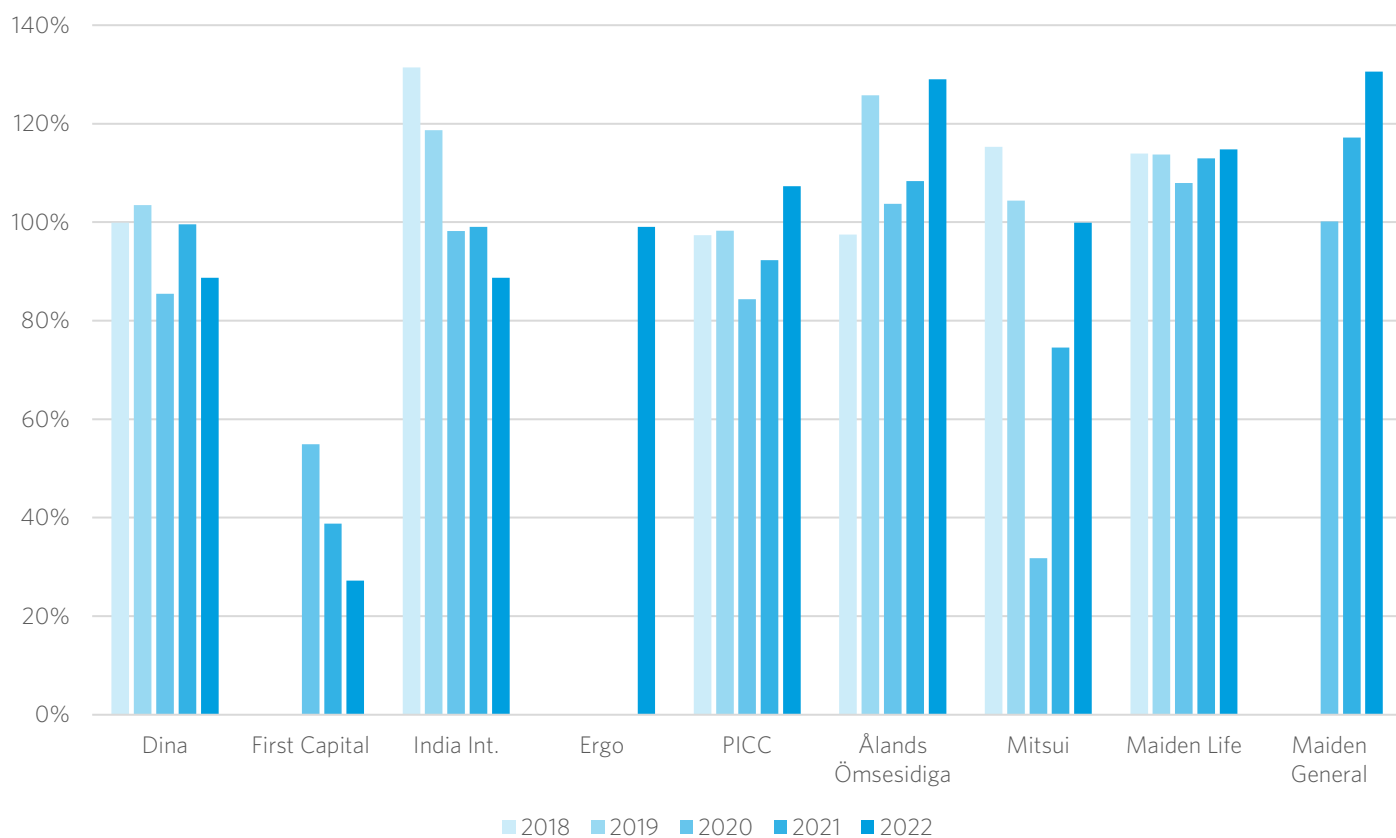
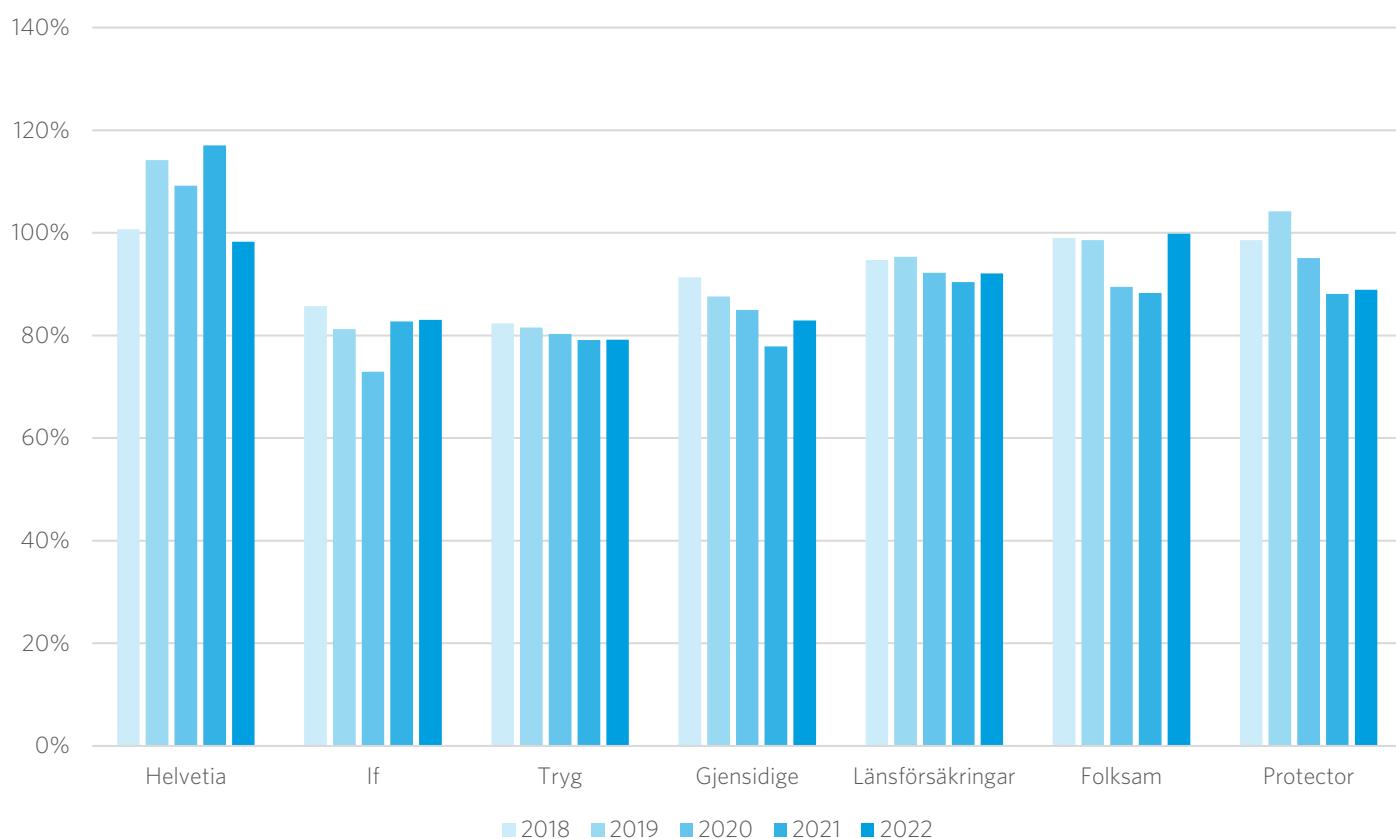
Regional insurers



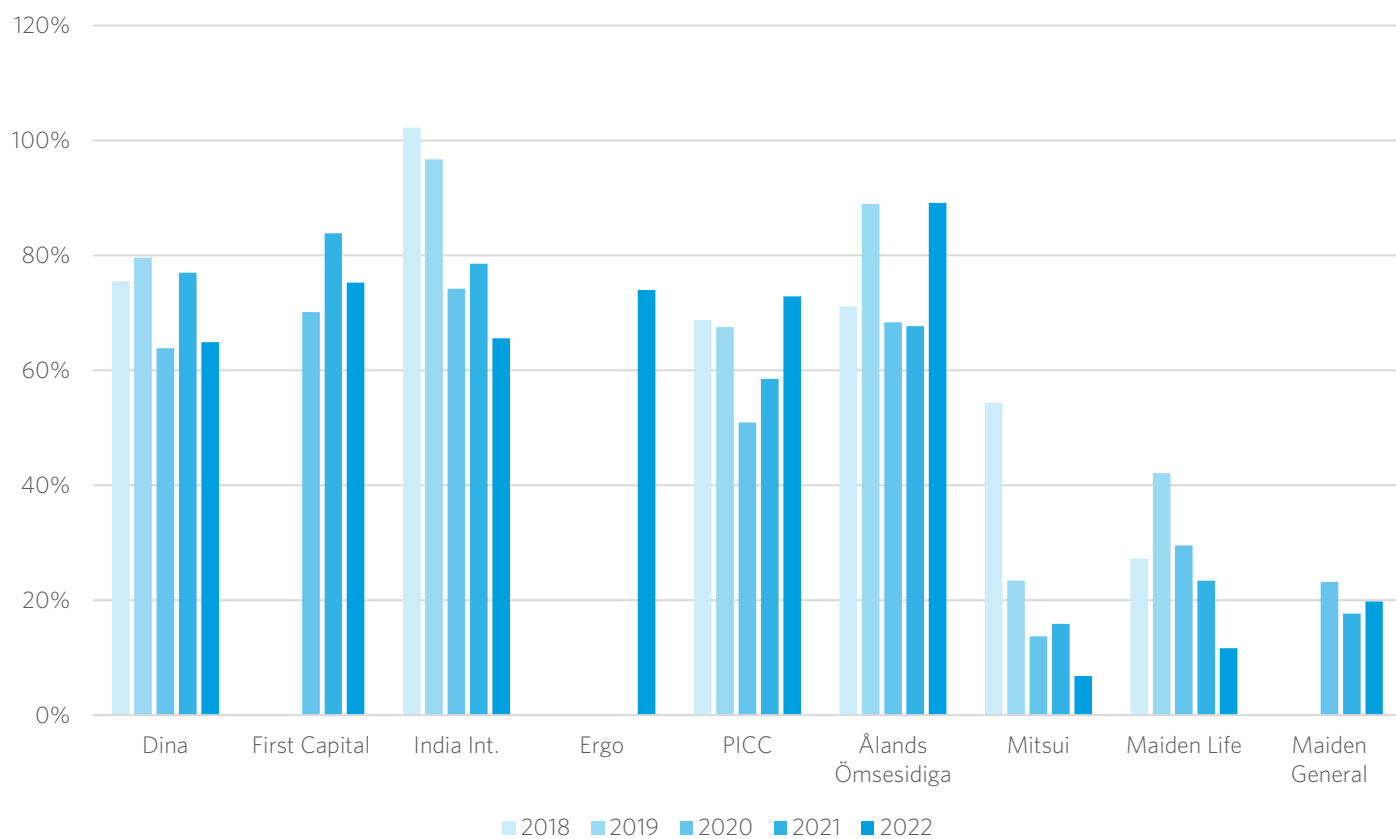
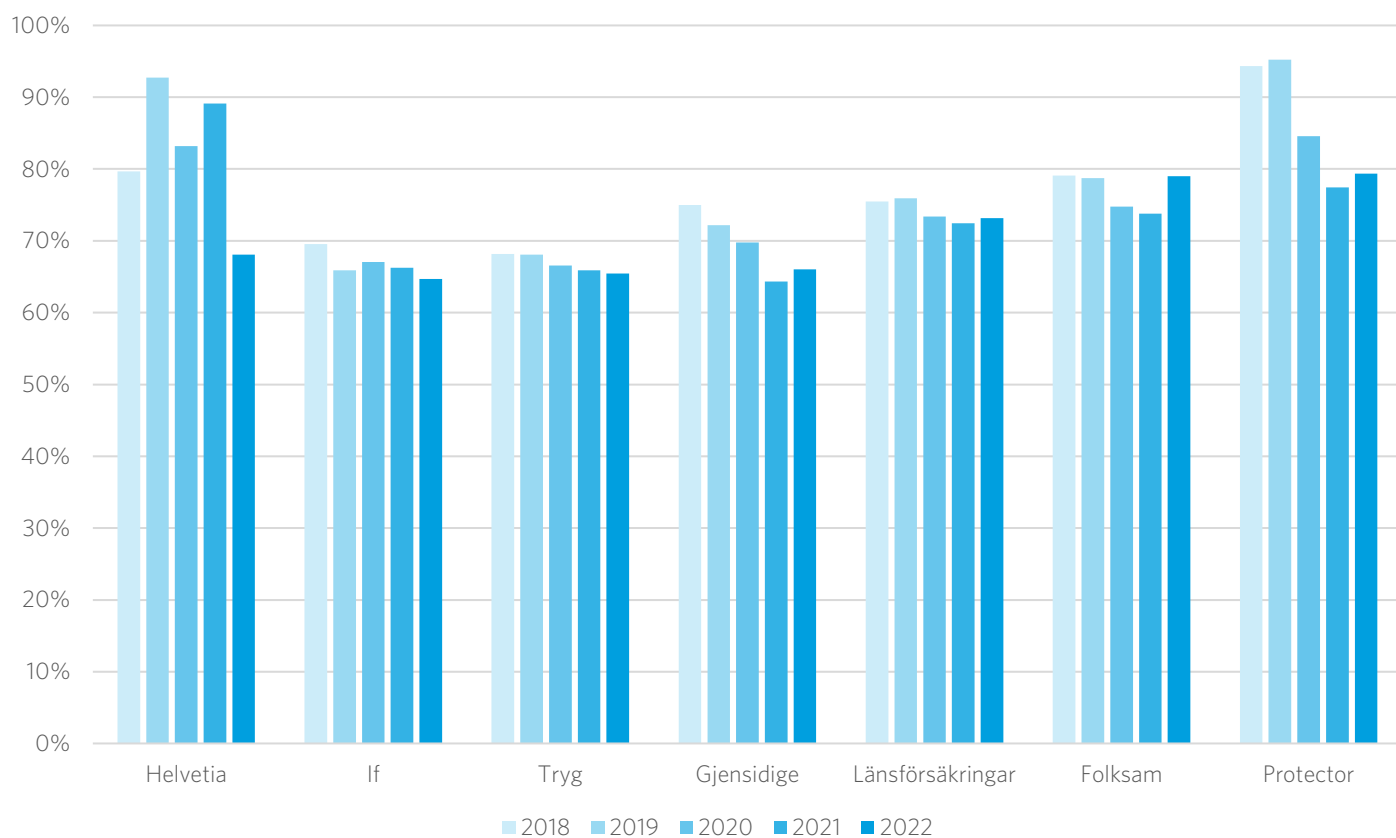
Premiums earned (Regional insurers, MEUR)



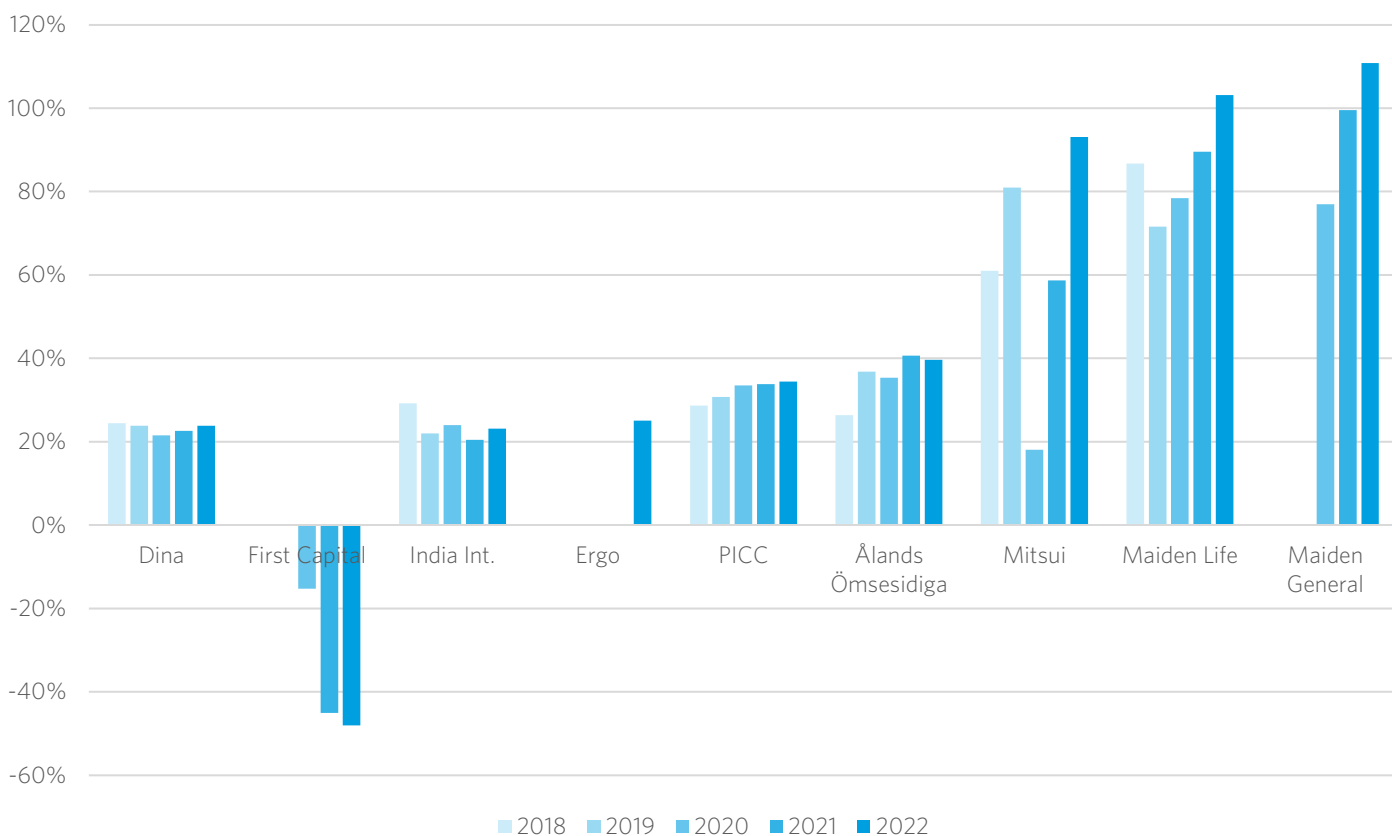
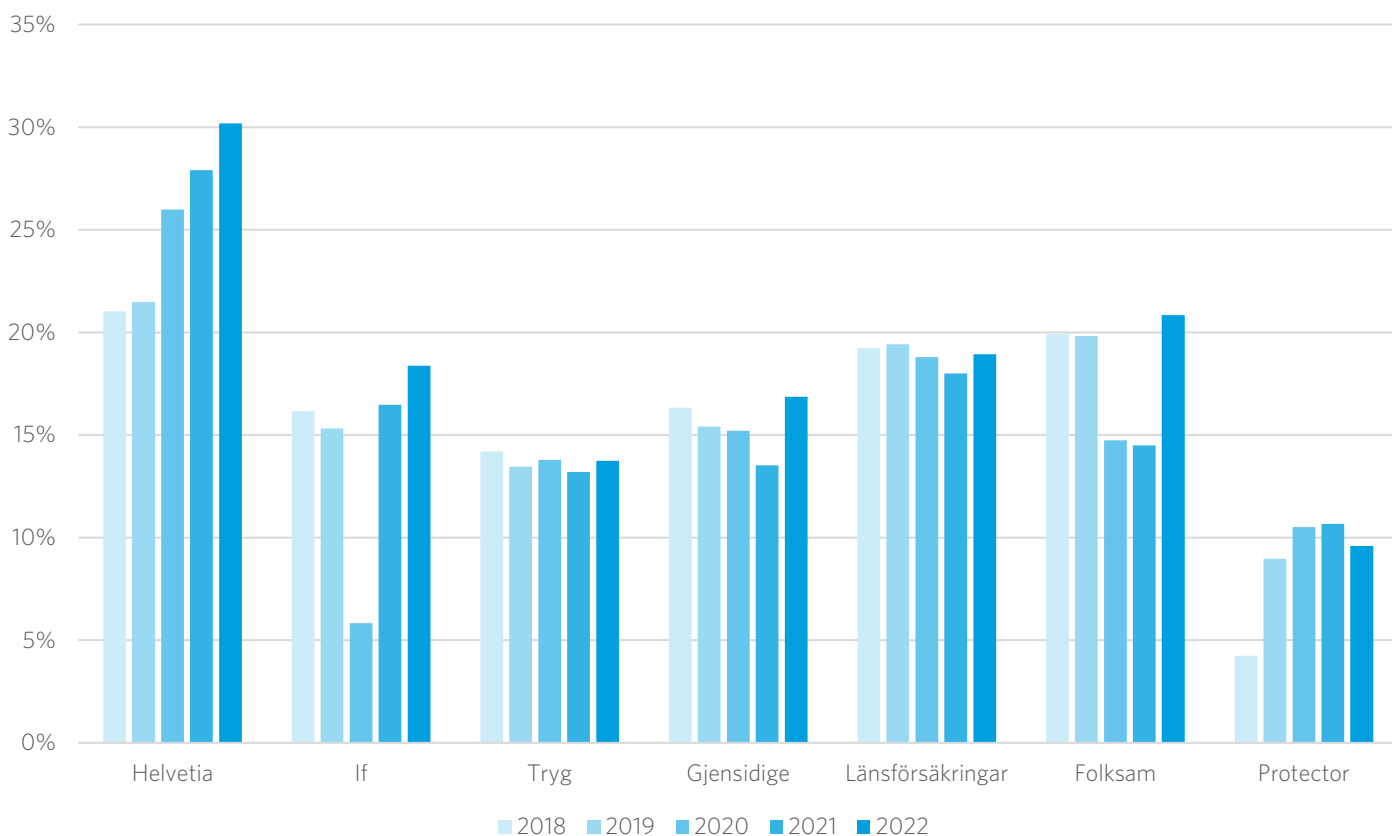
Combined ratio (Regional insurers)



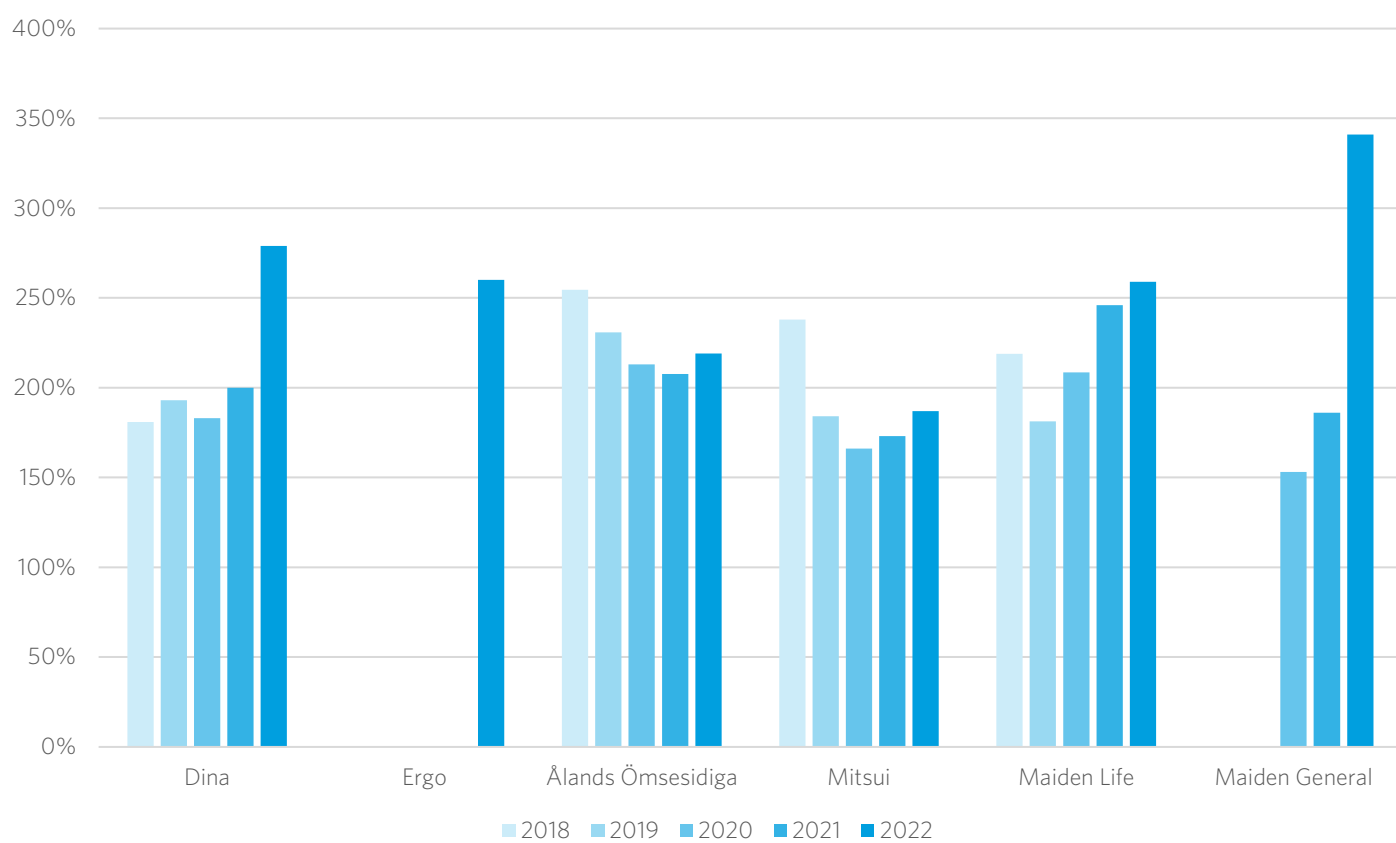
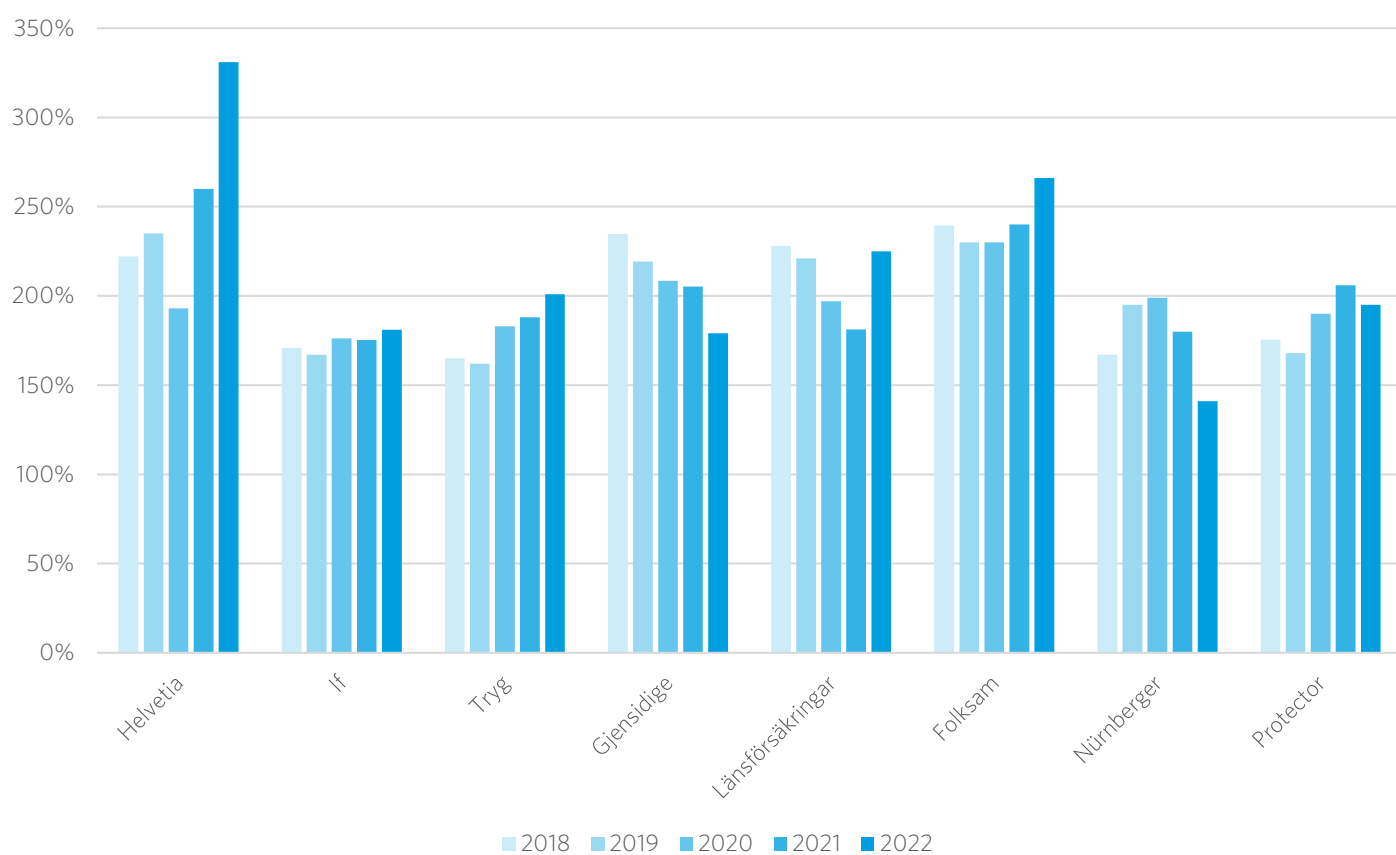
Loss ratio (Regional insurers)



Expense ratio (Regional insurers)

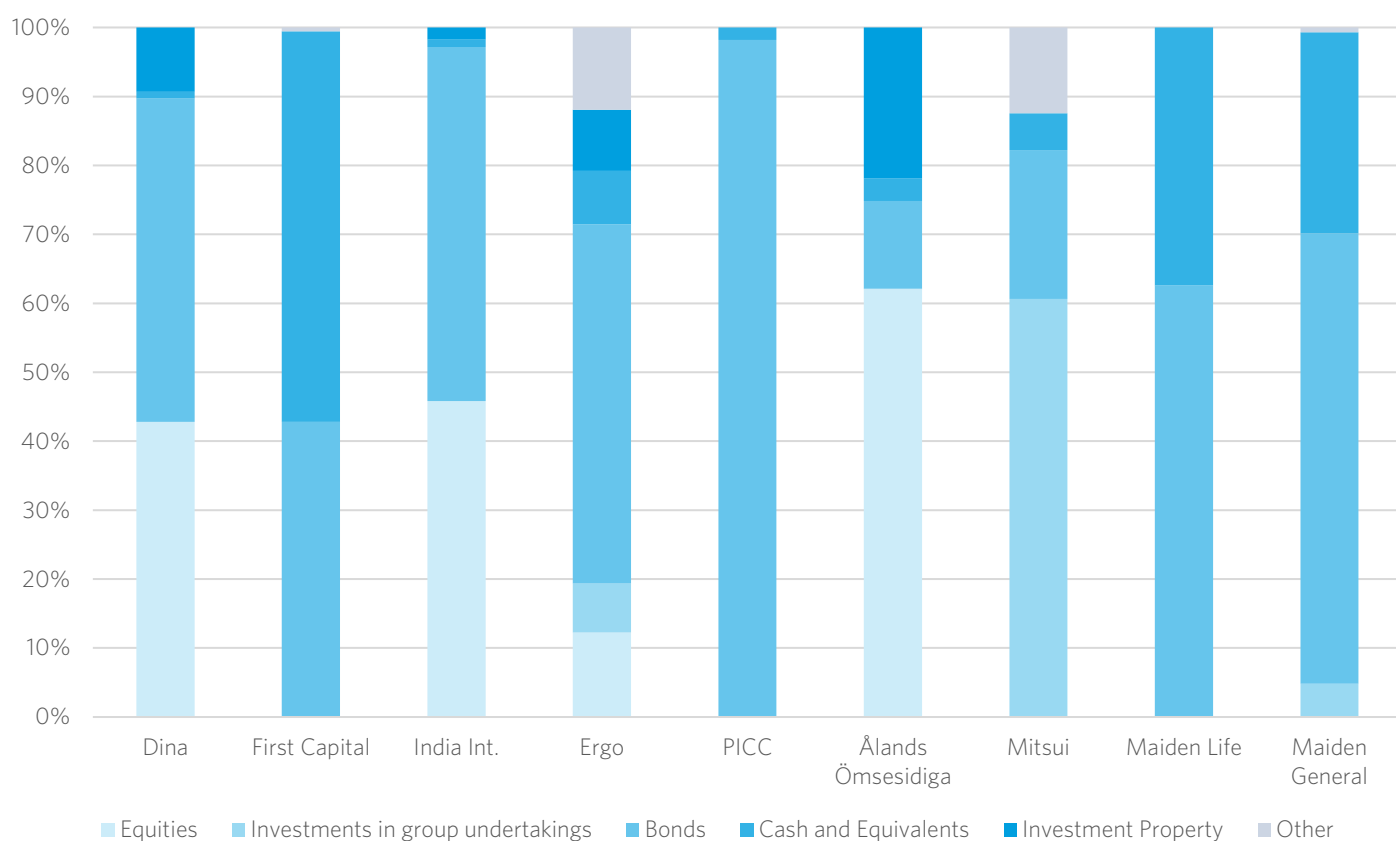
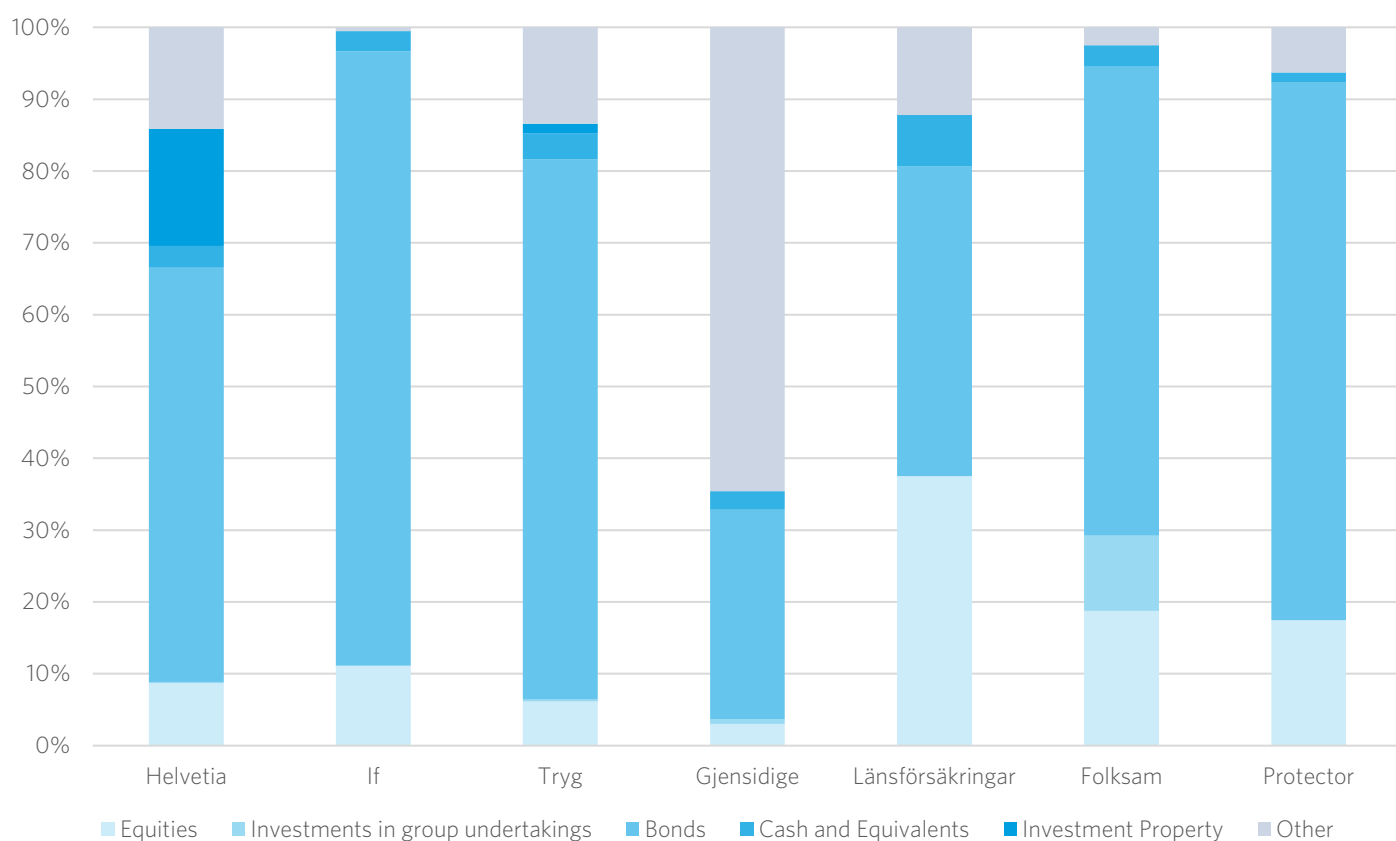


Solvency ratio* (Regional insurers)

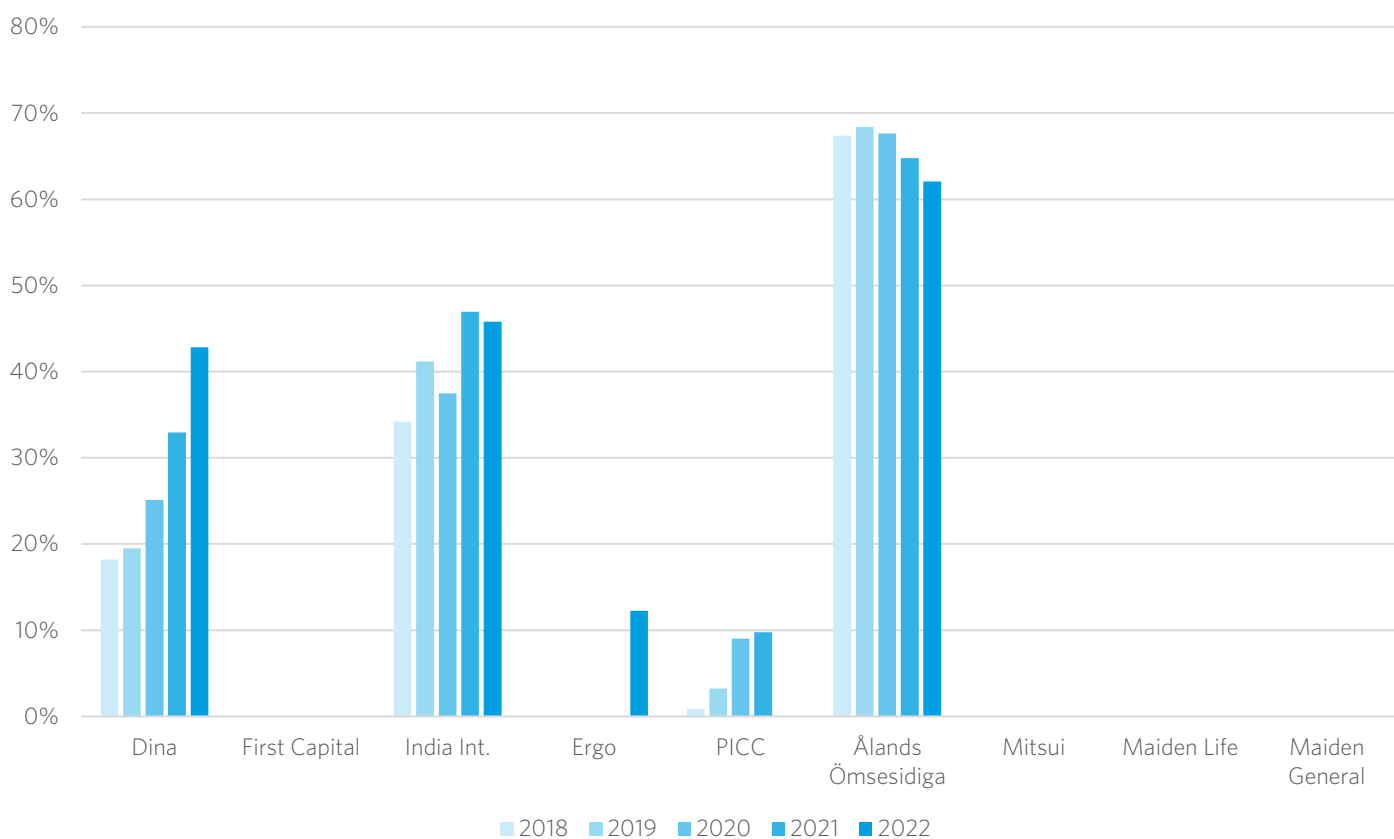
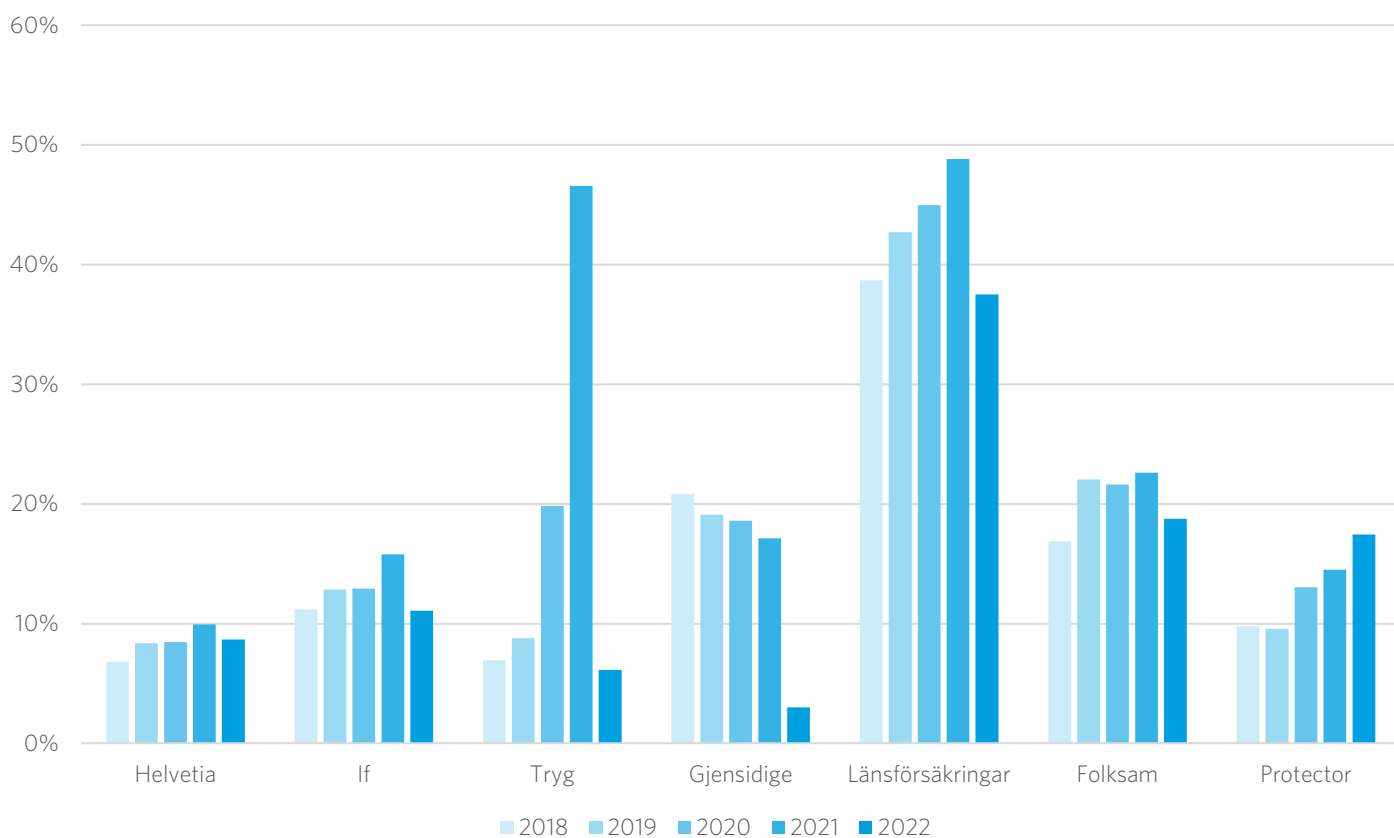


* Only including companies that report their solvency ratios under the Solvency II standard.

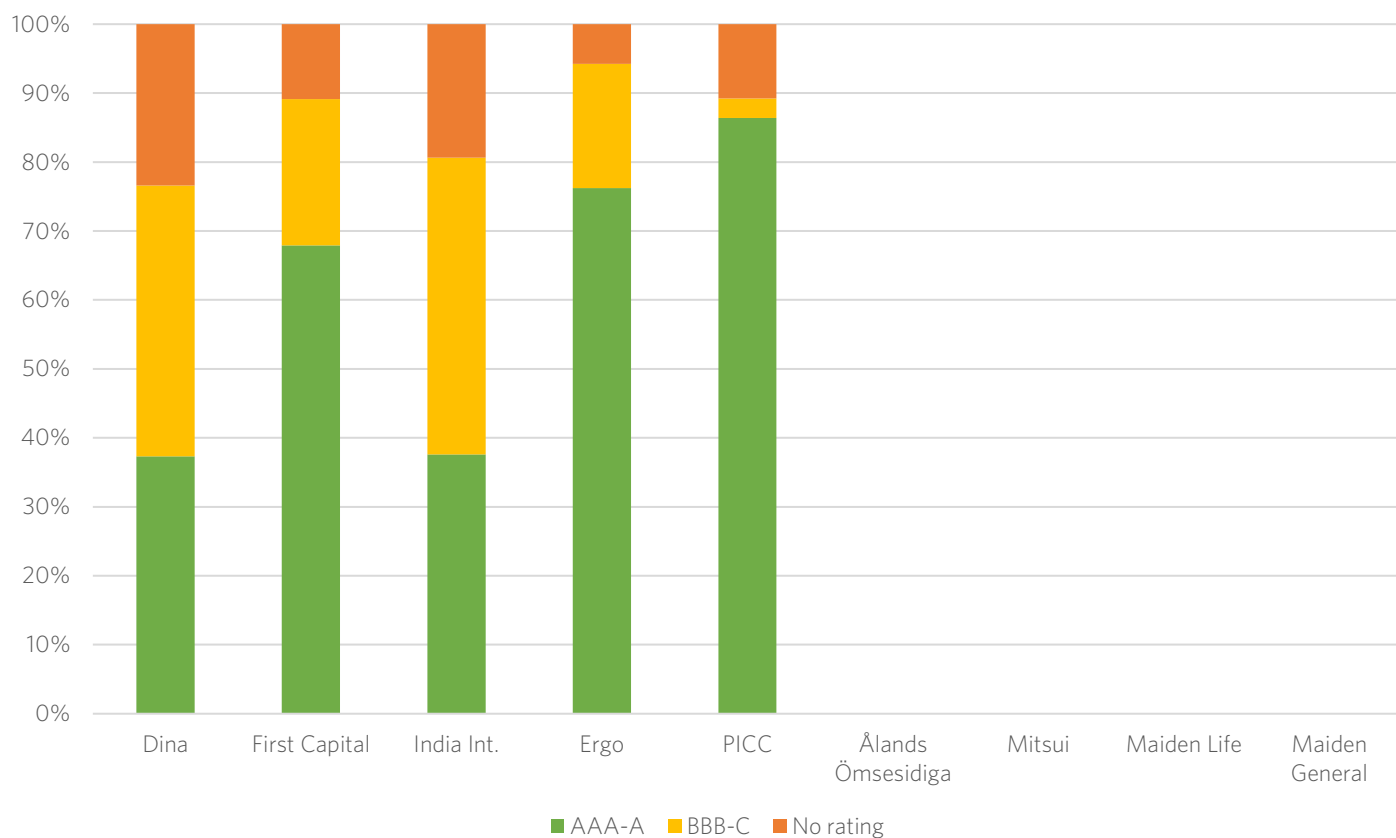
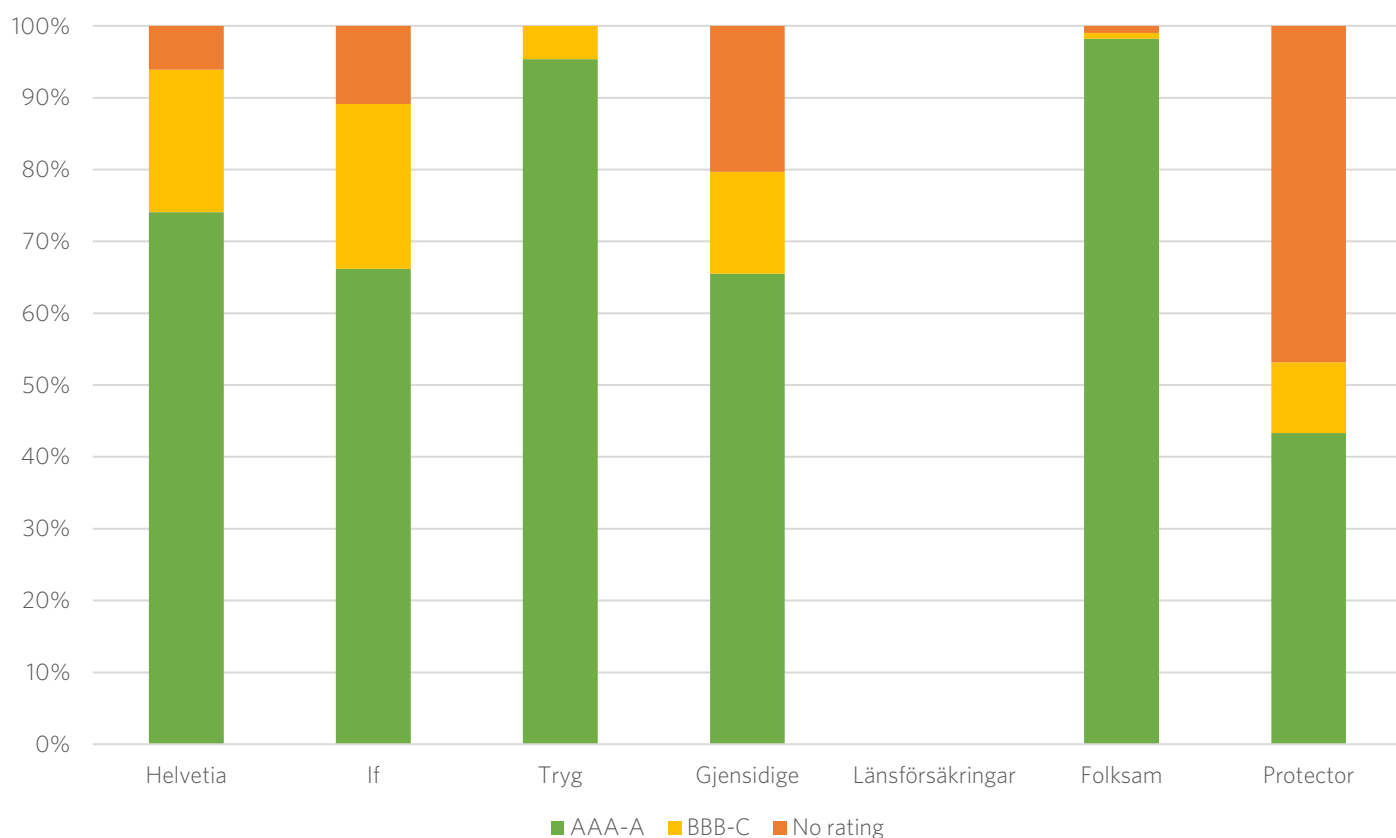
Financial asset composition (Regional insurers, 2022)



Stocks as percent of financial assets (Regional insurers)



Fixed income portfolio rating* (Regional insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.

The background of the image is a blurred screenshot of a financial trading platform. It features a candlestick chart for the GBP/USD M15 pair, with a yellow trend line and a blue moving average. A data box at the top shows the current price at 1.45053, with bid and ask prices of 1.4500 and 1.4508. The interface includes various trading controls like 'Bid', 'Ask', 'Auto', and 'Shift'.

ANALYSIS OF FINANCIAL STRENGTH

Local Insurers

Ratings

Local insurer ratings

As of October 2023

Insurance company	Kort navn	Standard & Poor's	A.M. Best	Fitch	Moody's	Söderberg & Partners
Alm. Brand Forsikring A/S	Alm. Brand	-	-	A+	-	-
Alte Leipziger VAG	Alte Leipziger	-	-	A+	-	-
Aros Forsikring A/S	Aros	-	-	-	-	green
Betri Trykingsarlagid	Betri	-	-	-	-	green
Concordia Forsikring A/S	Concordia	-	-	-	-	green
DNB Livsforsikring AS	DNB Liv	-	-	-	-	green
Domus Forsikring A/S	Domus	-	-	-	-	red
Duvi AS	Duvi	-	-	-	-	red
Eika Forsikring AS	Eika	-	-	-	-	green
Eir Forsikring AB	Eir	-	-	-	-	red
ETU Forsikring A/S	ETU	-	-	-	-	red
Euro Accident Livforsikring AB	Euro Accident	-	A-	-	-	-
Falcon Insurance Company (Hong Kong) Ltd	Falcon	A	-	-	-	-
Forsikringselskabet Dansk Sundhedssikring A/S	Dansk Sundhedssikring	-	-	-	-	green
Forsikringselskabet Himmerland G/S	Himmerland	-	-	-	-	green
Fremtind Forsikring AS	Fremtind	-	-	-	-	green
Frende Skadeforsikring AS	Frende	-	-	-	-	green
Gartneres Forsikring G/S	Gartneres	-	-	-	-	green
GF Forsikring A/S	GF	-	-	-	-	green
Gjensidige Pensjonsforsikring AS	Gjensidige Pension	-	-	-	-	green
HF Forsikring A/S	HF	-	-	-	-	green
Idun Liv Forsikring AB	Idun	-	-	-	-	pending
Insr Insurance Group	Insr	-	-	-	-	red
KLP Skadeforsikring	KLP	-	-	-	A2	-
Knif Trykhet Forsikring AS	Knif	-	-	-	-	green
Købstædernes Forsikring	Købstædernes	-	-	-	-	green
Landkredit Forsikring AS	Landkredit	-	-	-	-	green
LB Forsikring A/S	LB	-	-	-	-	green
Lokal Forsikring G/S	Lokal	-	-	-	-	green
Ly Forsikring AS	Ly	-	-	-	-	green
Länsförsäkringar Bergslagen	LF Bergslagen	-	-	-	-	green
Länsförsäkringar Blekinge	LF Blekinge	-	-	-	-	green
Dalarnas Försäkringsbolag	LF Dalarna	-	-	-	-	green
Länsförsäkringar Gotland	LF Gotland	-	-	-	-	green
Länsförsäkringar Gävleborg	LF Gävleborg	-	-	-	-	green
Länsförsäkringar Göinge-Kristianstad	LF Göinge- Kristianstad	-	-	-	-	green
Länsförsäkringar Göteborg och Bohuslän	LF Göteborg och Bohuslän	-	-	-	-	green
Länsförsäkringar Halland	LF Halland	-	-	-	-	green
Länsförsäkringar Jämtland	LF Jämtland	-	-	-	-	green
Länsförsäkringar Jönköping	LF Jönköping	-	-	-	-	green
Länsförsäkringar Kalmar län	LF Kalmar	-	-	-	-	green
Länsförsäkring Kronoberg	LF Kronoberg	-	-	-	-	green
Länsförsäkringar Norrbotten	LF Norrbotten	-	-	-	-	green
Länsförsäkringar Skaraborg	LF Skaraborg	-	-	-	-	green
Länsförsäkringar Skåne	LF Skåne	-	-	-	-	green
Länsförsäkringar Stockholm	LF Stockholm	-	-	-	-	green
Länsförsäkringar Södermanland	LF Södermanland	-	-	-	-	green
Länsförsäkringar Uppsala	LF Uppsala	-	-	-	-	green
Länsförsäkringar Värmland	LF Värmland	-	-	-	-	green
Länsförsäkringar Västerbotten	LF Västerbotten	-	-	-	-	green
Länsförsäkringar Västernorrland	LF Västernorrland	-	-	-	-	green
Länsförsäkringar Älvsborg	LF Älvsborg	-	-	-	-	green
Länsförsäkringar Östgöta	LF Östgöta	-	-	-	-	green
Granne Forsikring (f.d. Møretrygd)	Granne	-	-	-	-	green
Livsforsikringselskapet Nordea Liv Norge AS	Nordea Liv (Norge)	-	-	-	-	green
Norsk Hussopp Forsikring Gjensidig	Norsk Hussopp	-	-	-	-	green
Forsikringselskabet Næringsring A/S	Næringsring	-	-	-	-	green
Oslo Pensjonsforsikring AS	Oslo Pensjon	-	-	-	-	green
Sparebank 1 Forsikring	Sparebank 1	-	-	-	-	green
Storebrand Forsikring AS	Storebrand Forsikring	-	-	-	-	green
Storebrand Helseforsikring AS	Storebrand Helseforsikring	-	-	-	-	green
Storebrand Livsforsikring AS	Storebrand Liv	A	-	-	A2 ↑	-
Sønderjysk Forsikring G/S	Sønderjysk	-	-	-	-	green
Thisted Forsikring A/S	Thisted	-	-	-	-	green
Topdanmark Forsikring A/S	Topdanmark	-	-	-	-	green
Vestjylland Forsikring G/S	Vestjylland	-	-	-	-	green
WaterCircles Forsikring ASA	WaterCircles	-	-	-	-	red
Württembergische Versicherung AG	Württembergische	A-	-	-	-	-

Related default rates

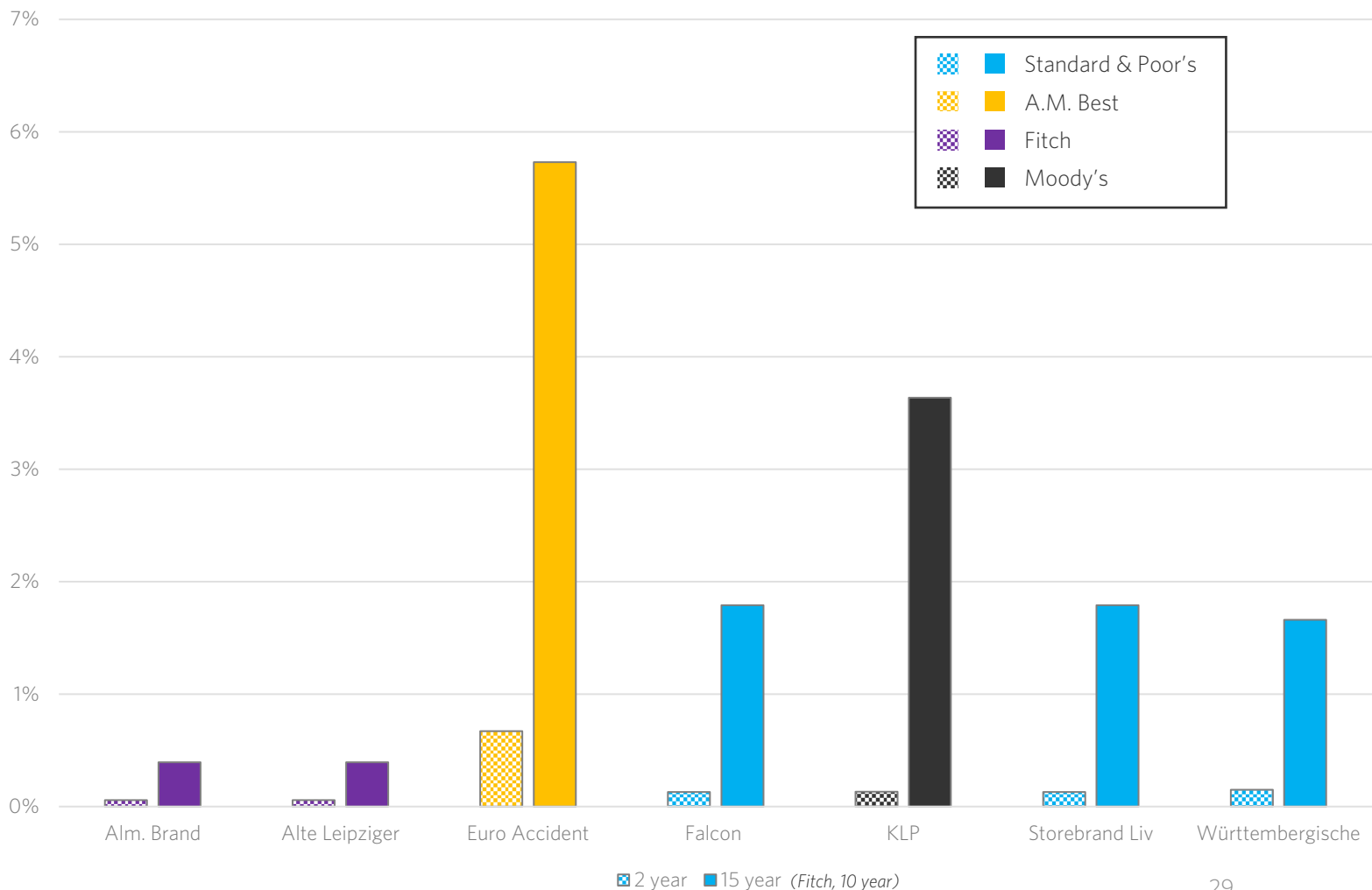
Financial strength ratings and default rates

The financial strength ratings provided by rating agencies are recognized parameters of credit quality in the insurance industry. Ratings may also impact debt covenants and reinsurance programmes that an insurance company is involved in. The higher the rating, the greater the assessed financial strength, which historically has been correlated with a lower risk of default or financial impairment.

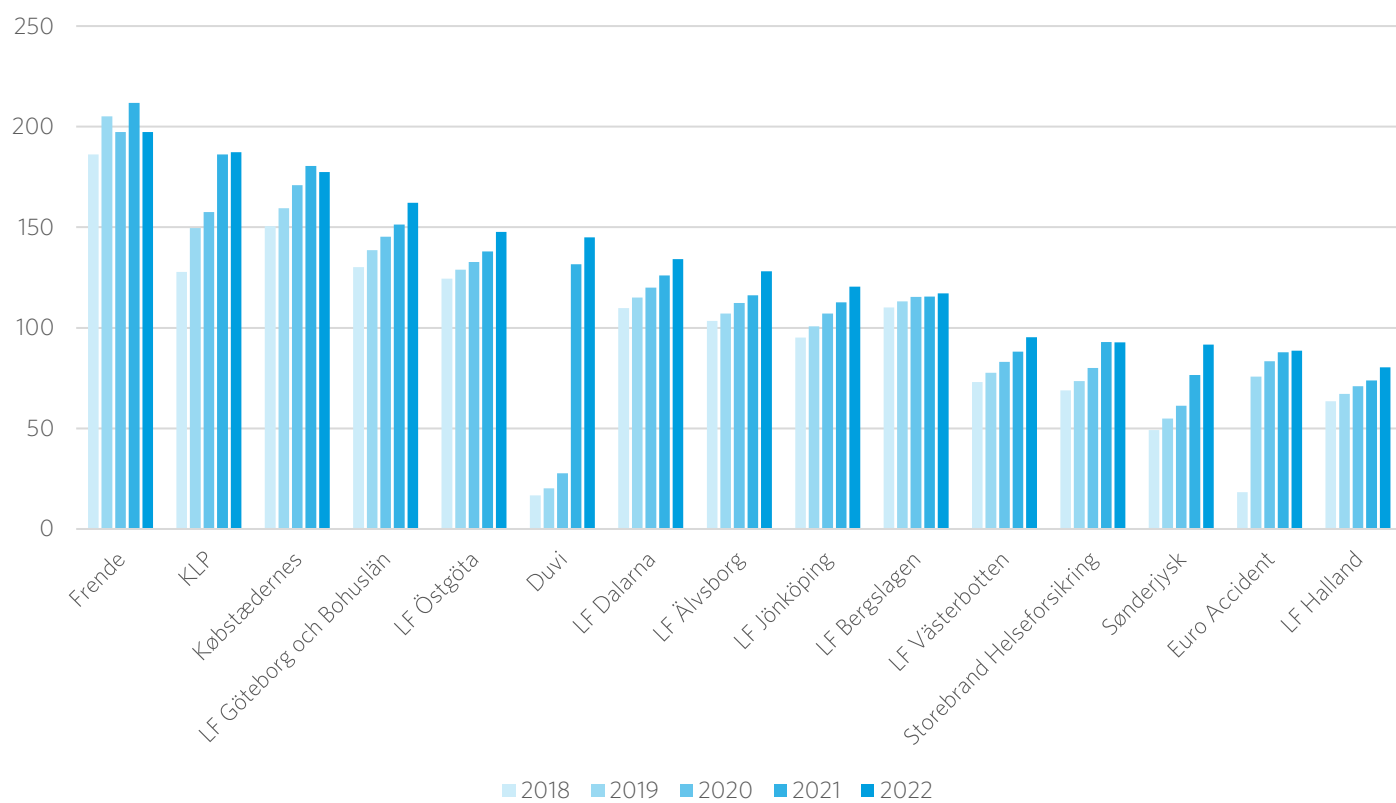
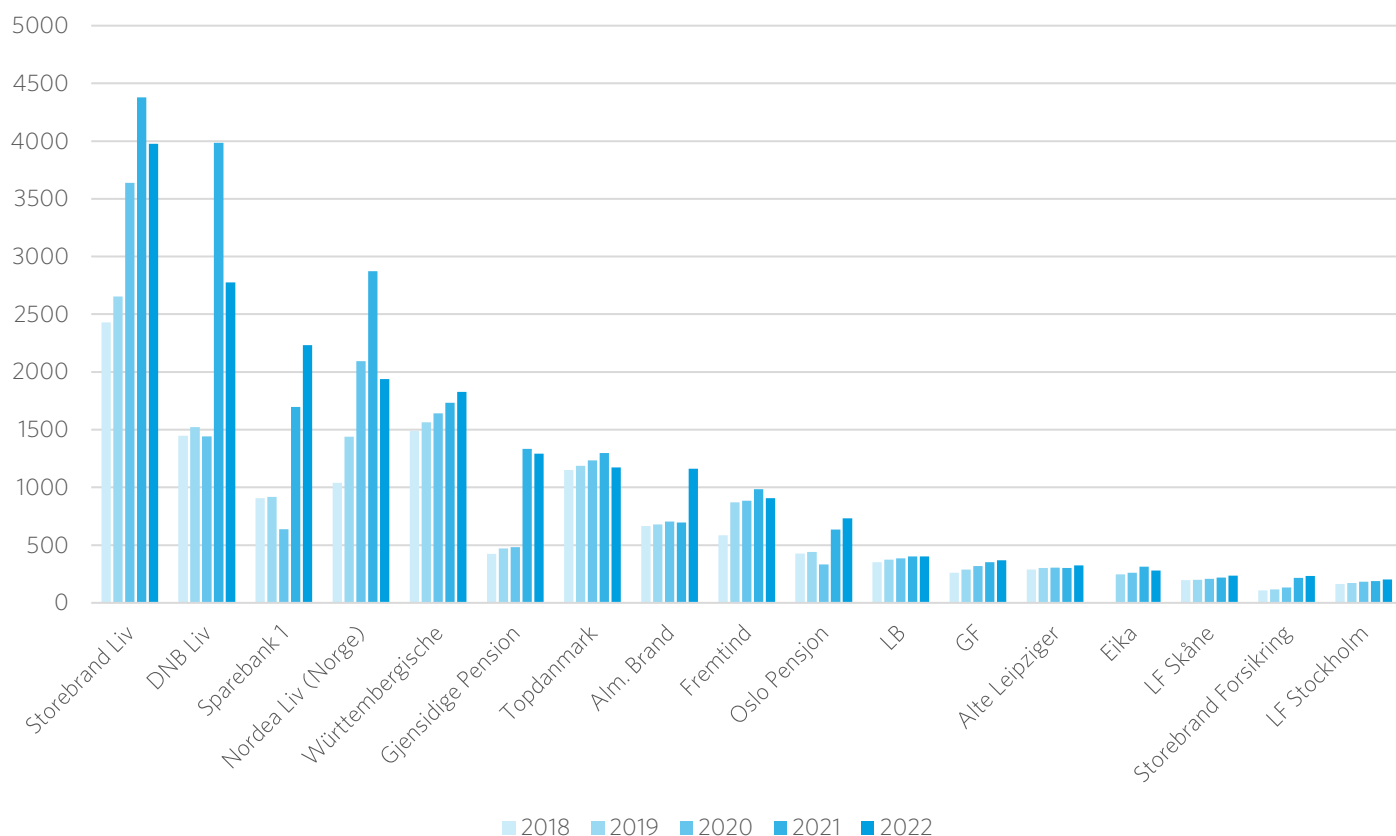
The observed two- and 15-year rates of default or financial impairment that correspond to the insurers' financial strength rating classes are presented in the graph below. Note that the default rates are estimated from studies carried out by the rating agencies themselves. Only insurers that are rated by a rating agency are included in the graph.

Historically observed rates of default or financial impairment

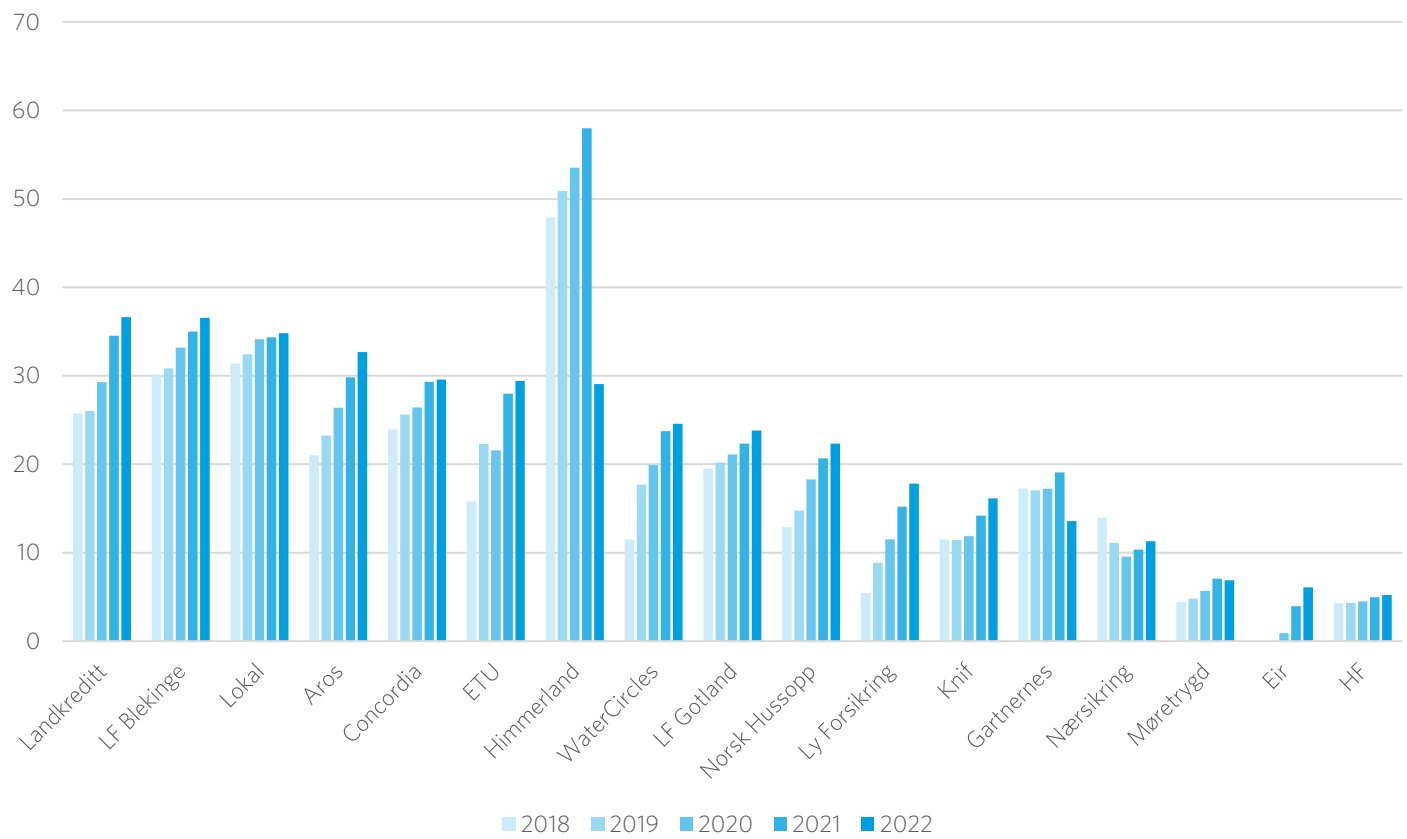
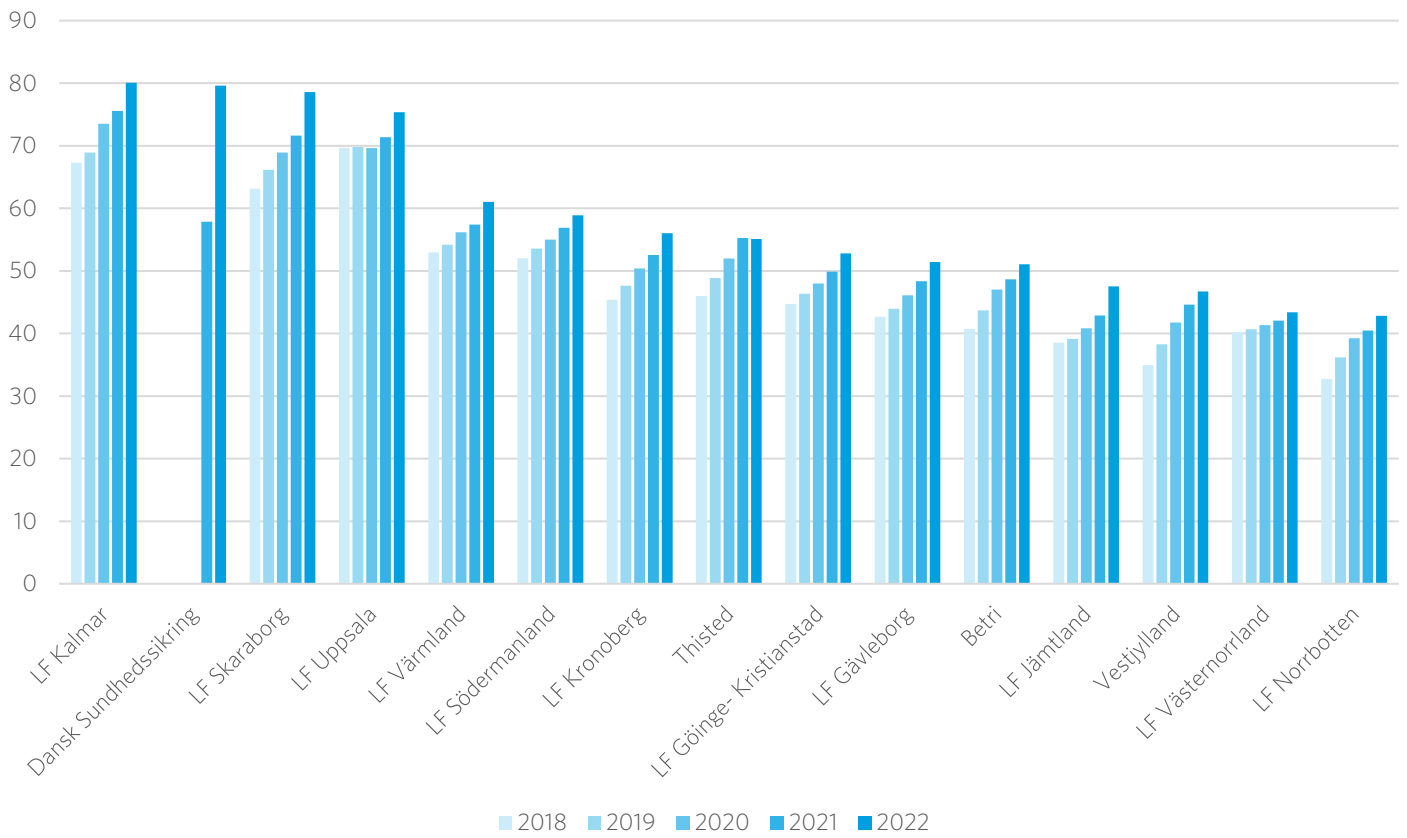
Local insurers



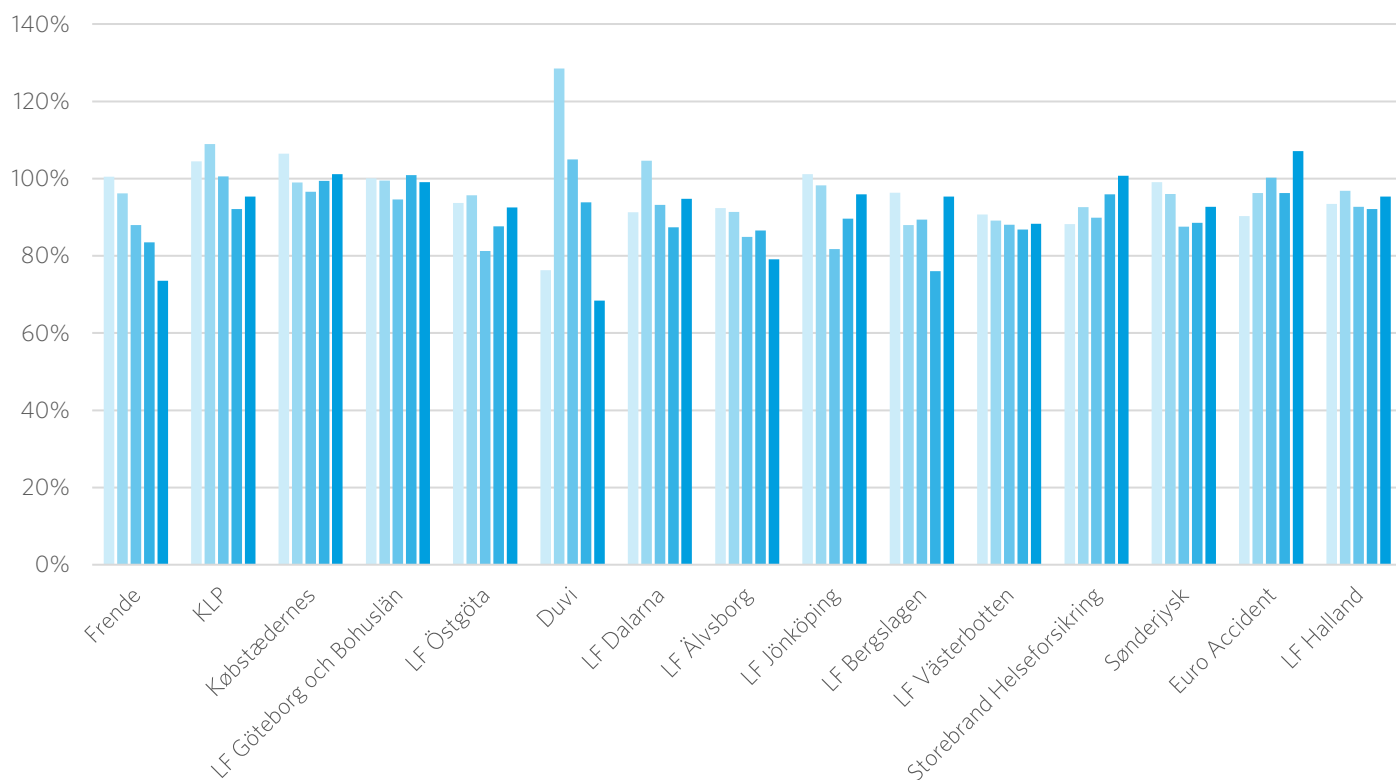
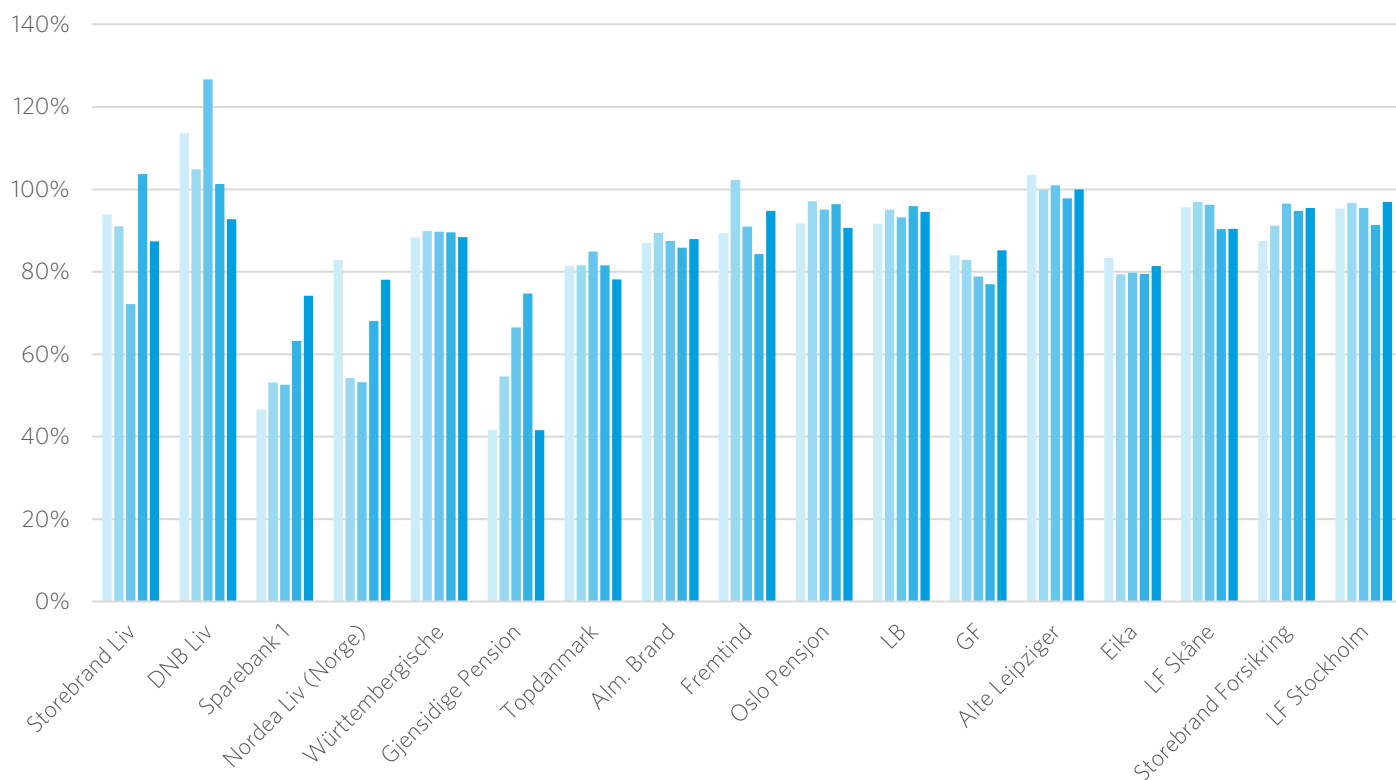
Premiums earned (Local insurers, MEUR)



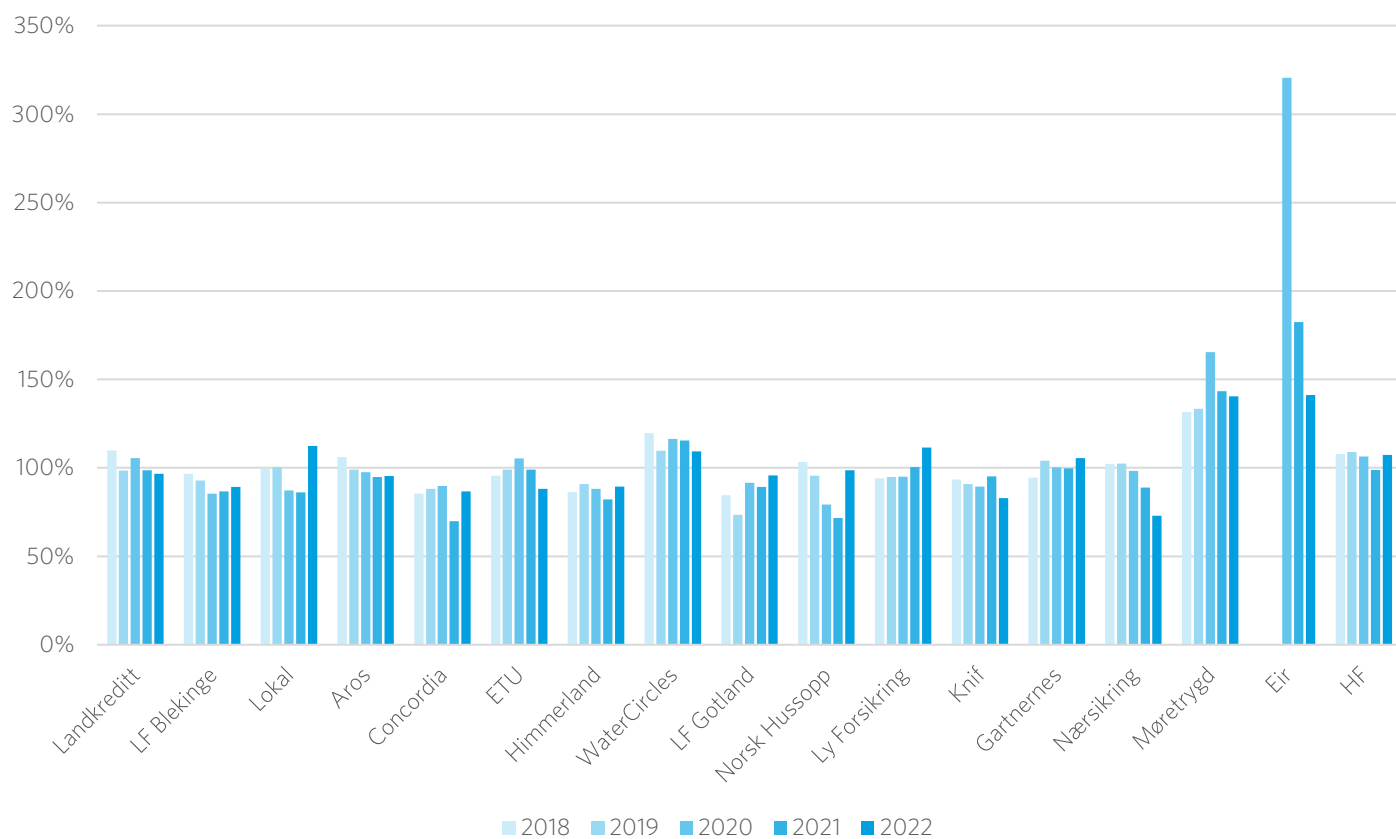
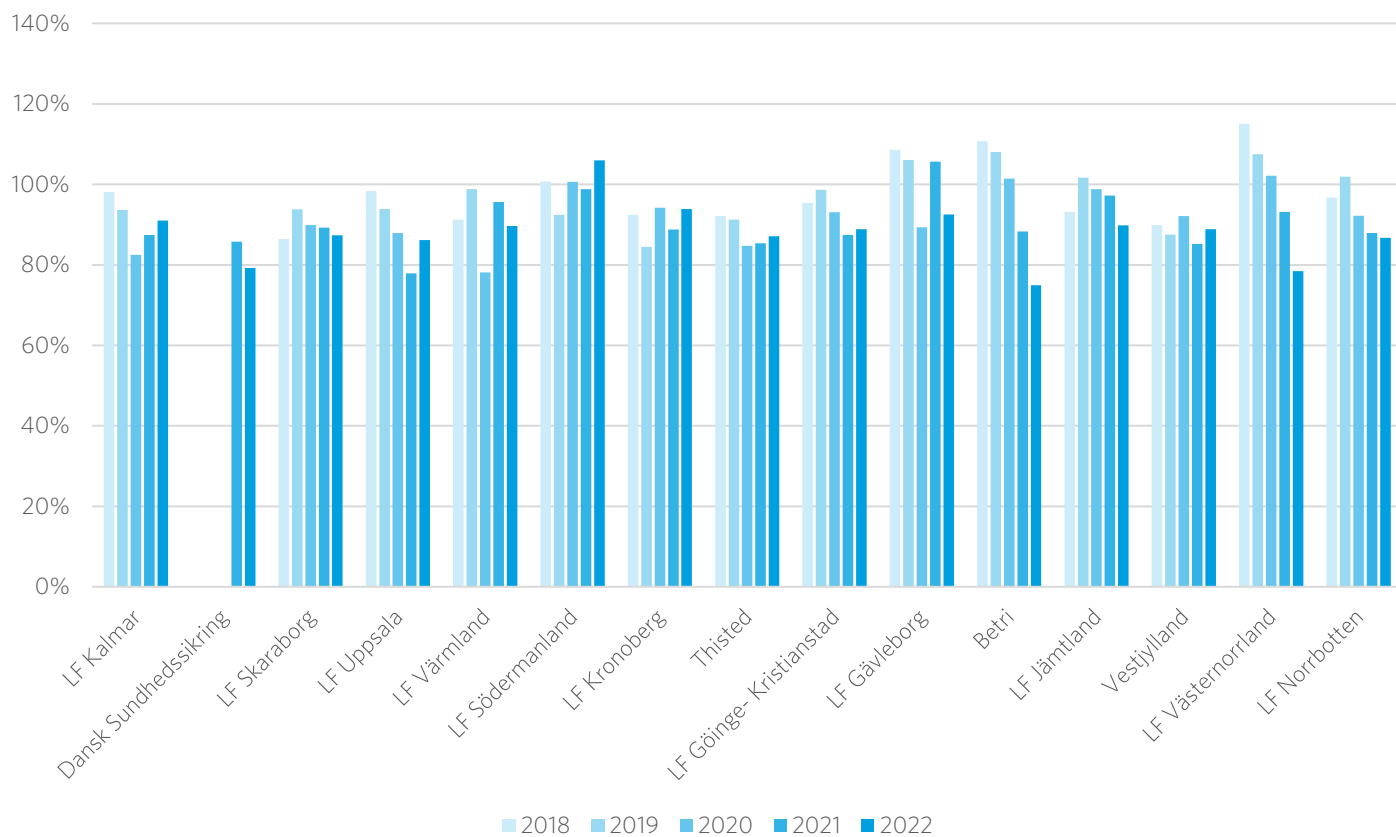
Premiums earned (Local insurers, MEUR)



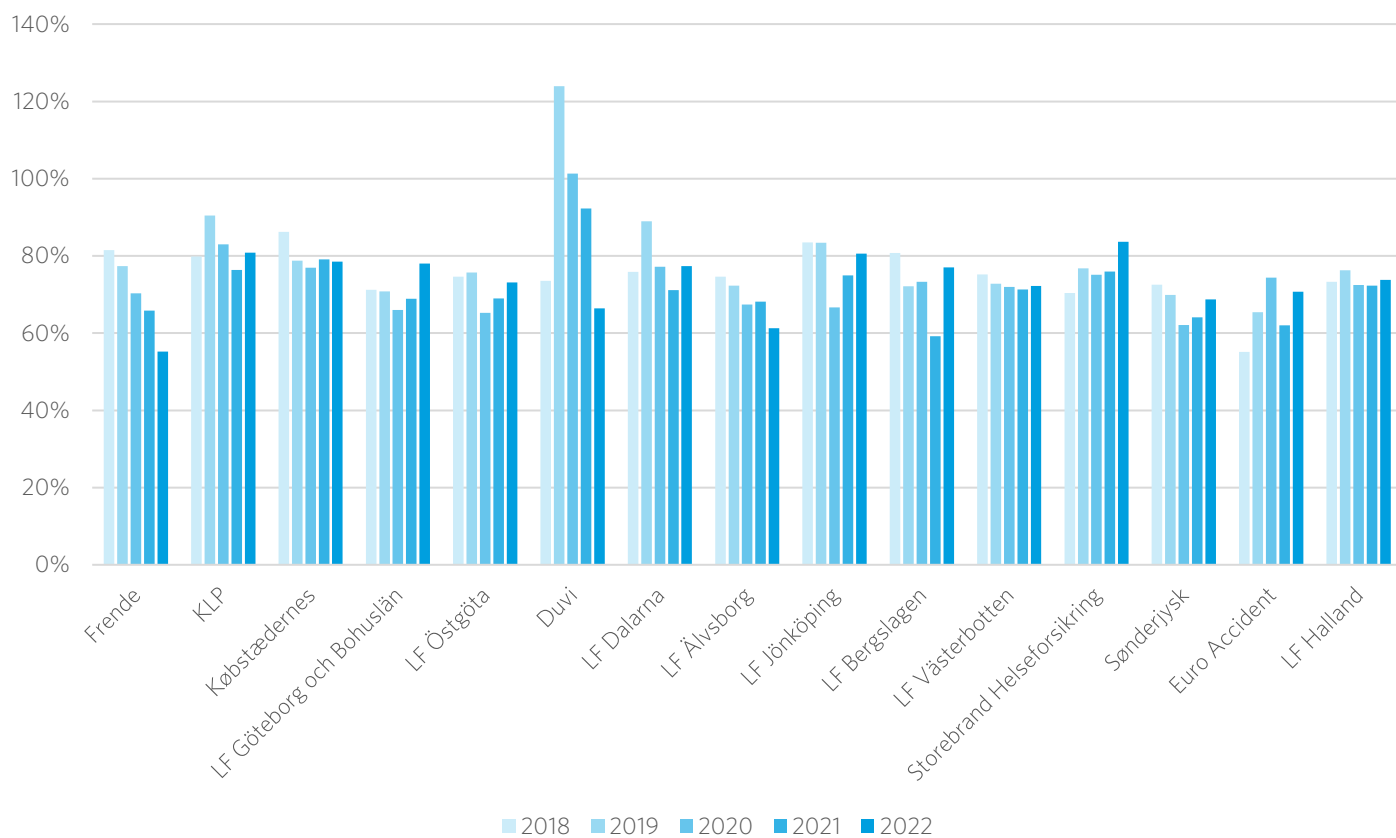
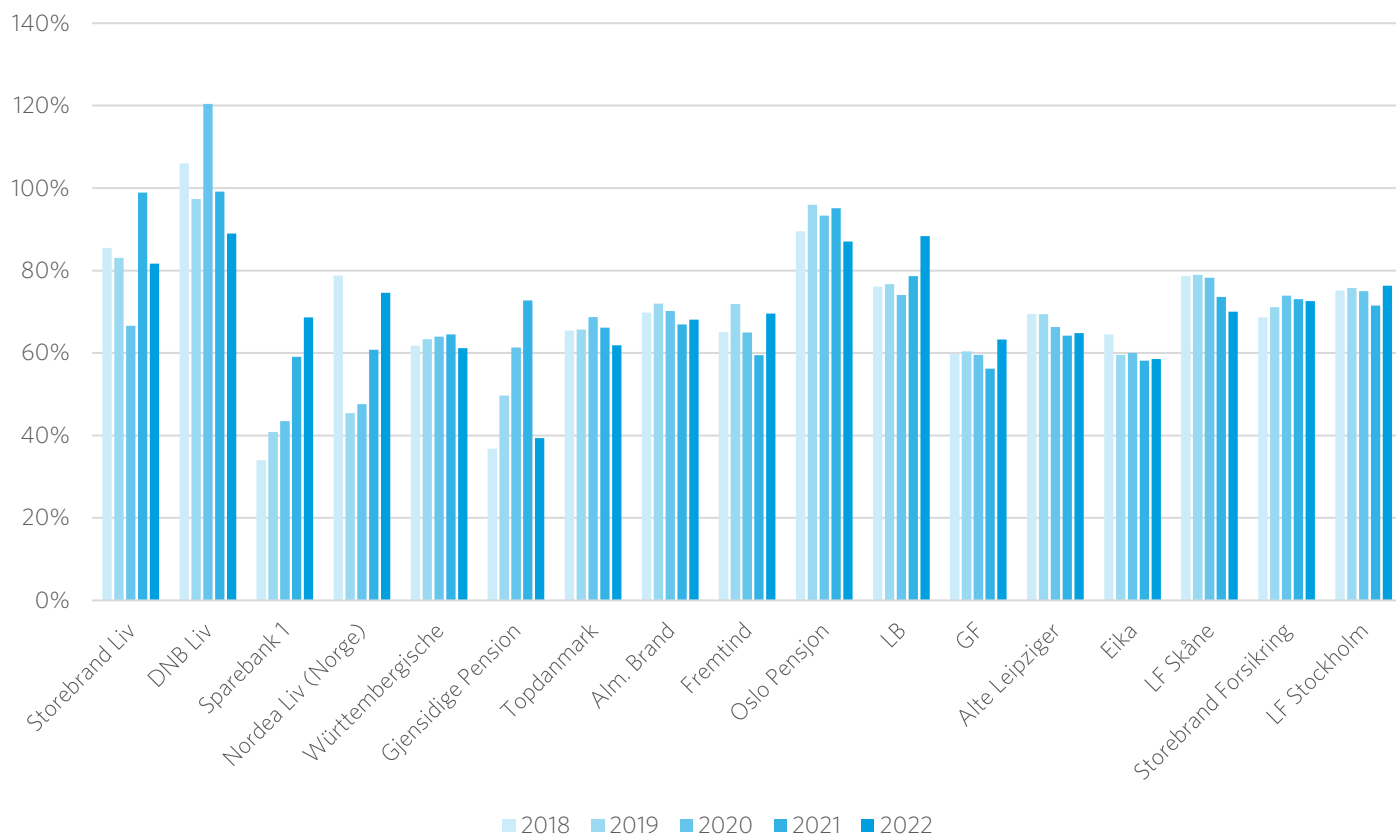
Combined ratio (Local insurers)



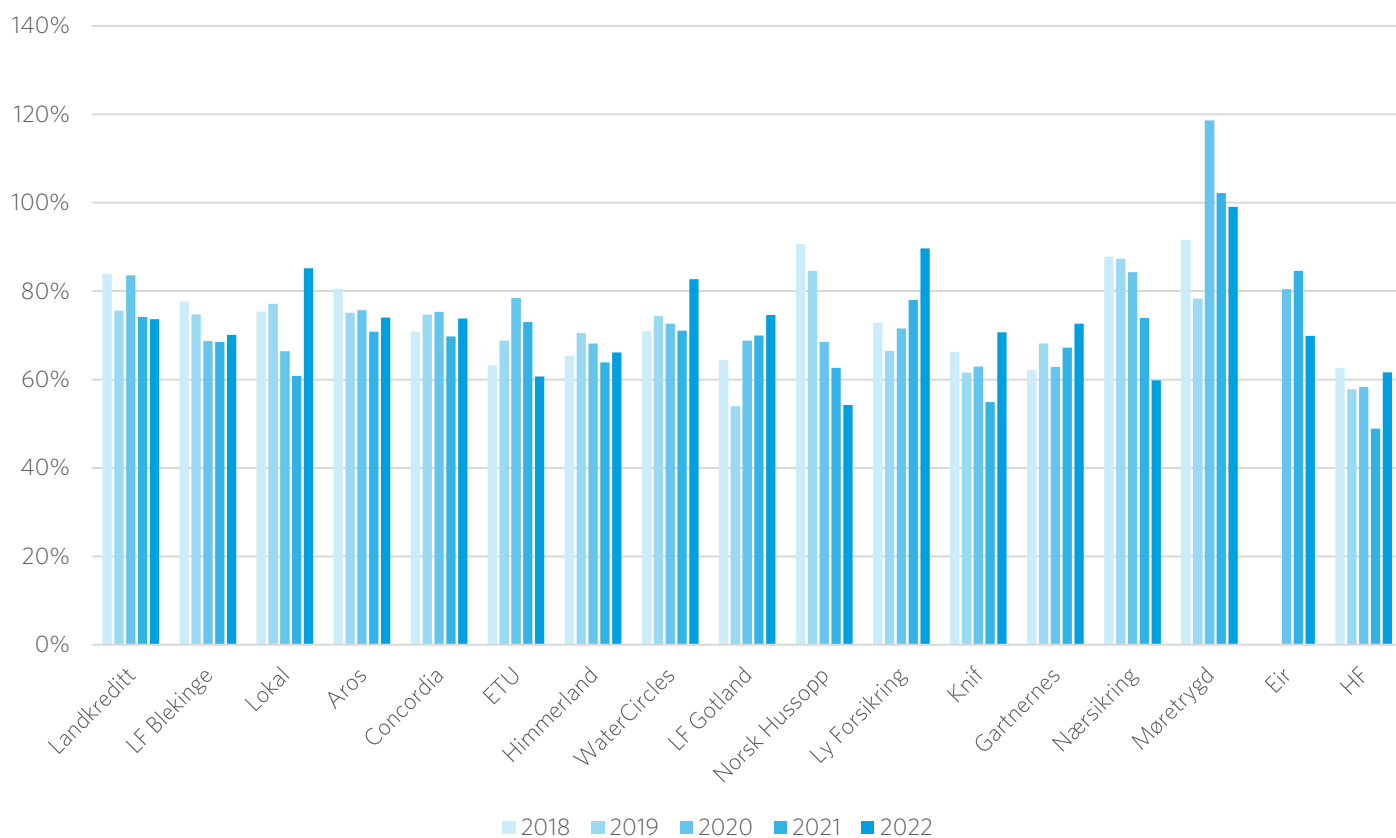
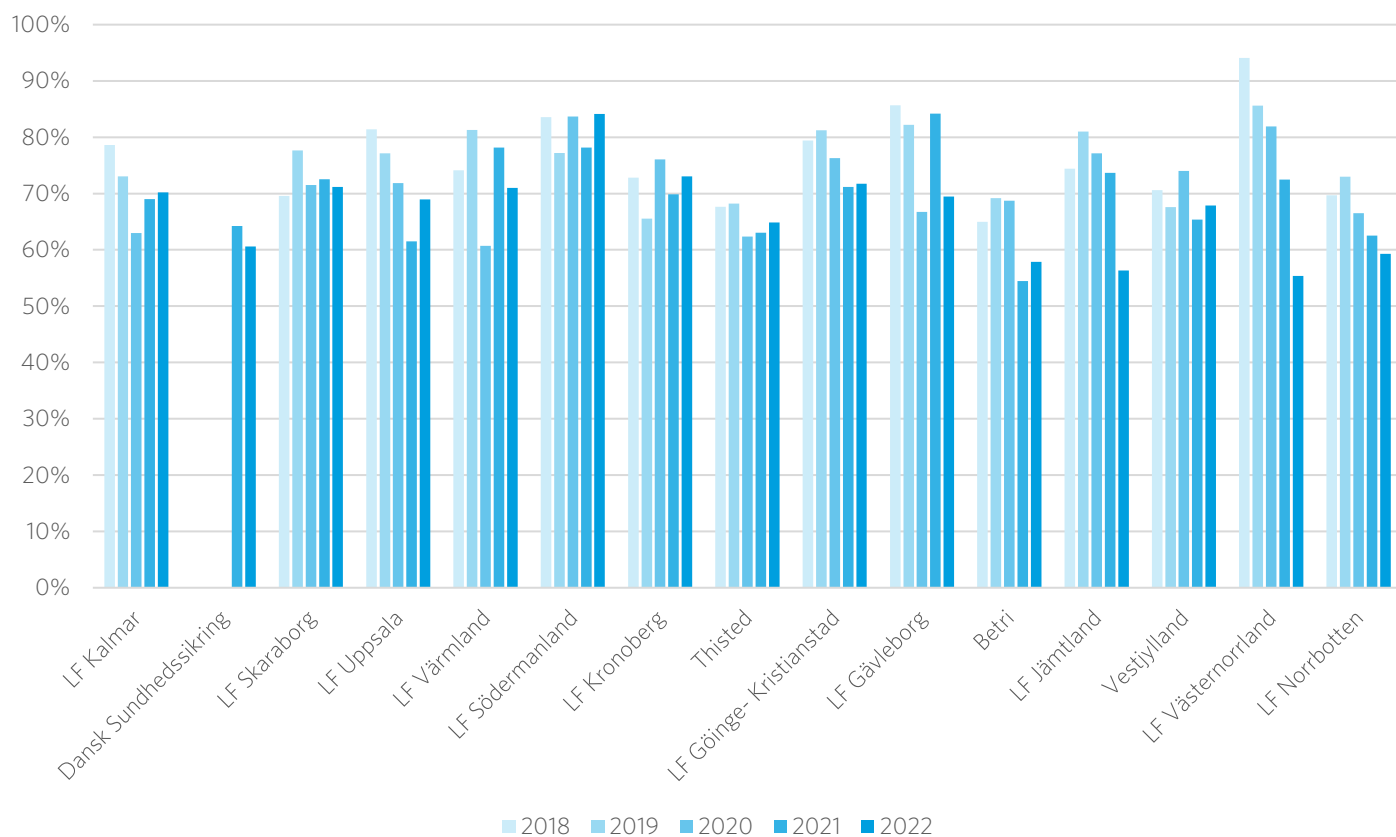
Combined ratio (Local insurers)



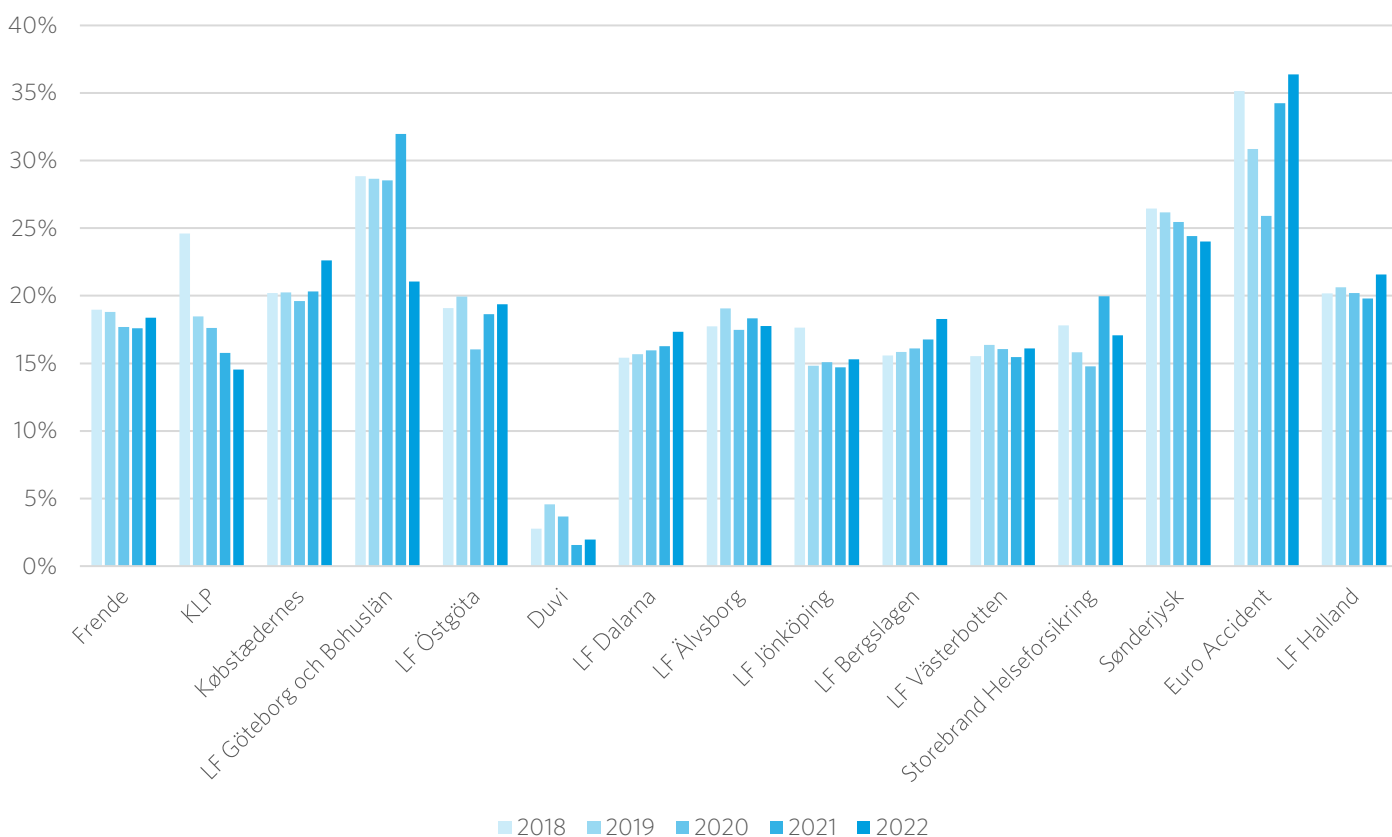
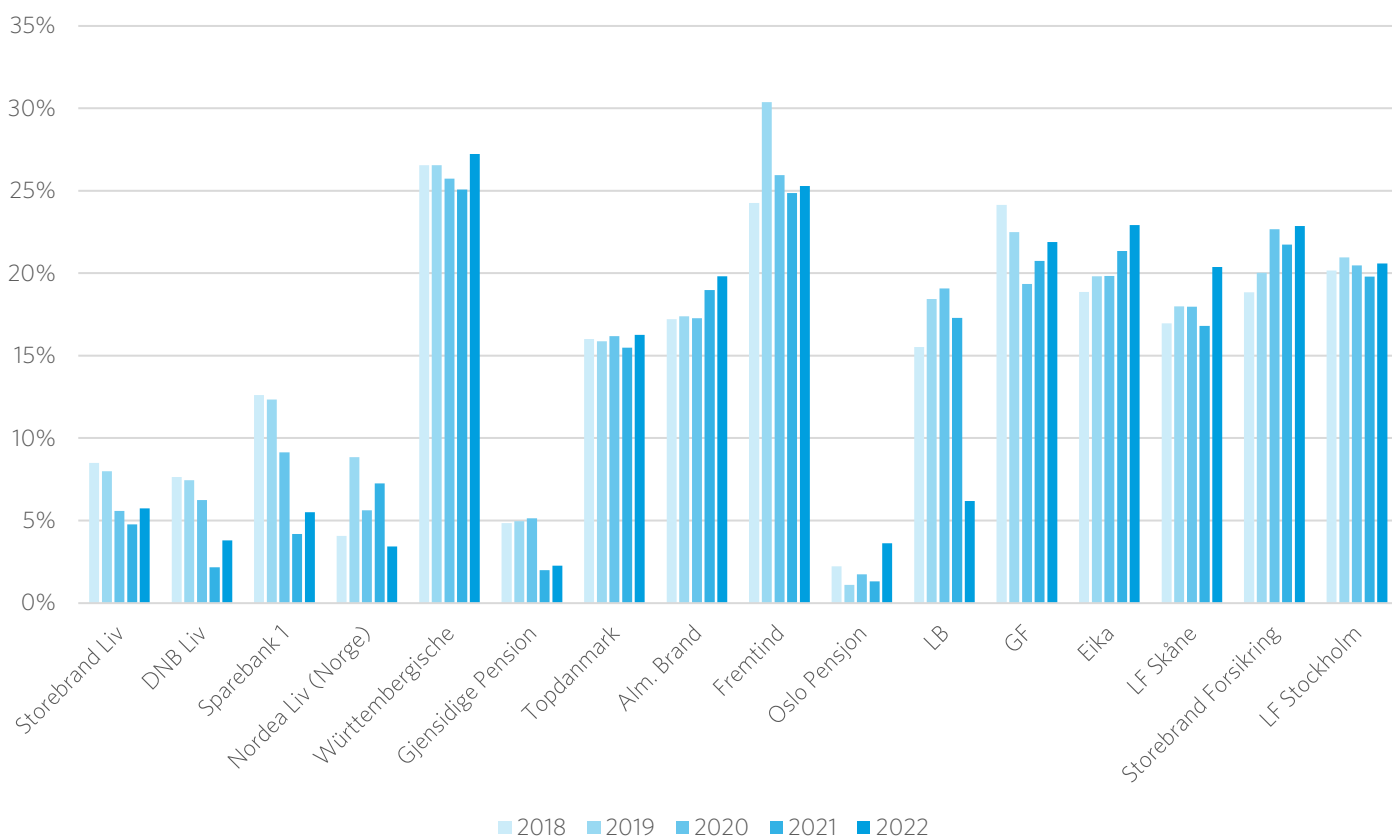
Loss ratio (Local insurers)



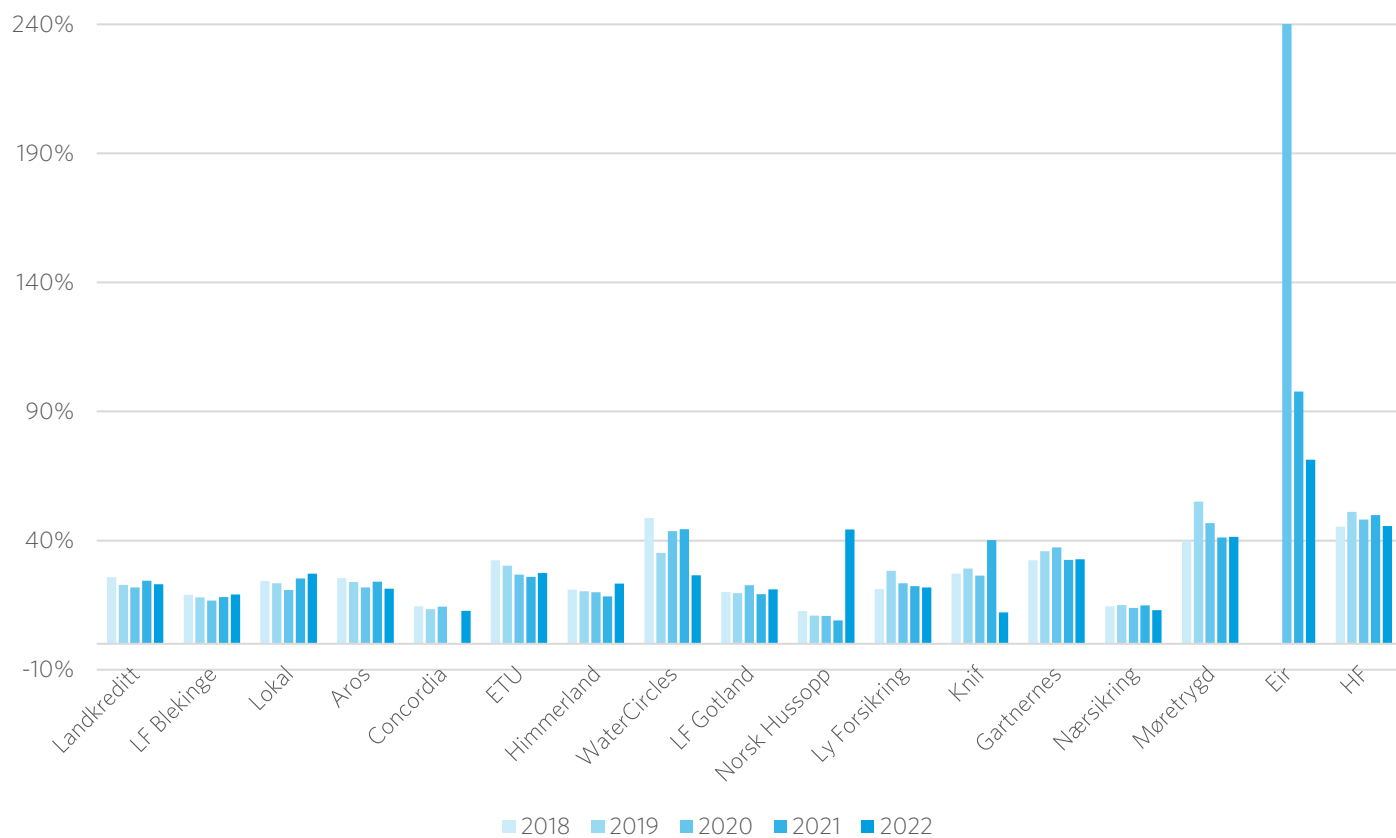
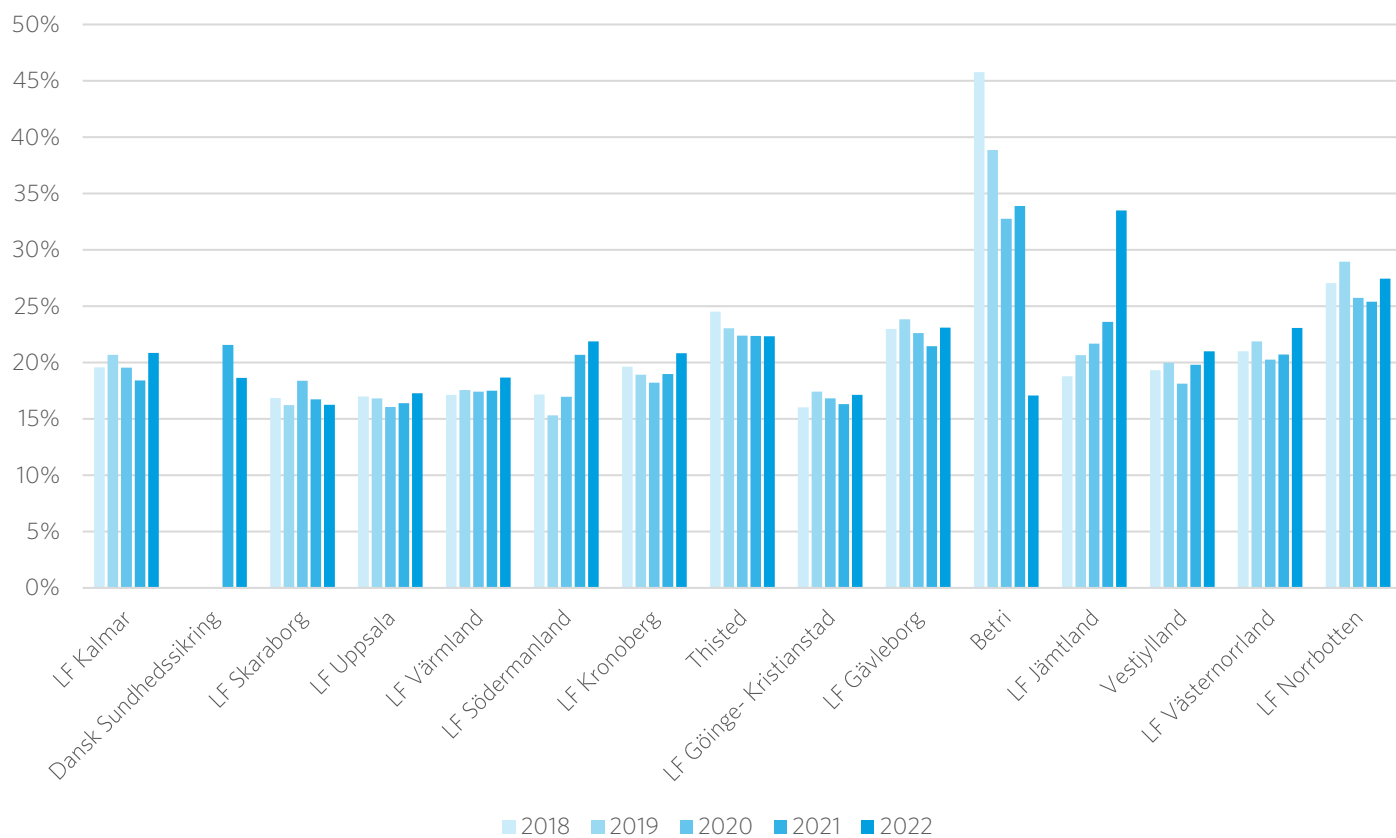
Loss ratio (Local insurers)



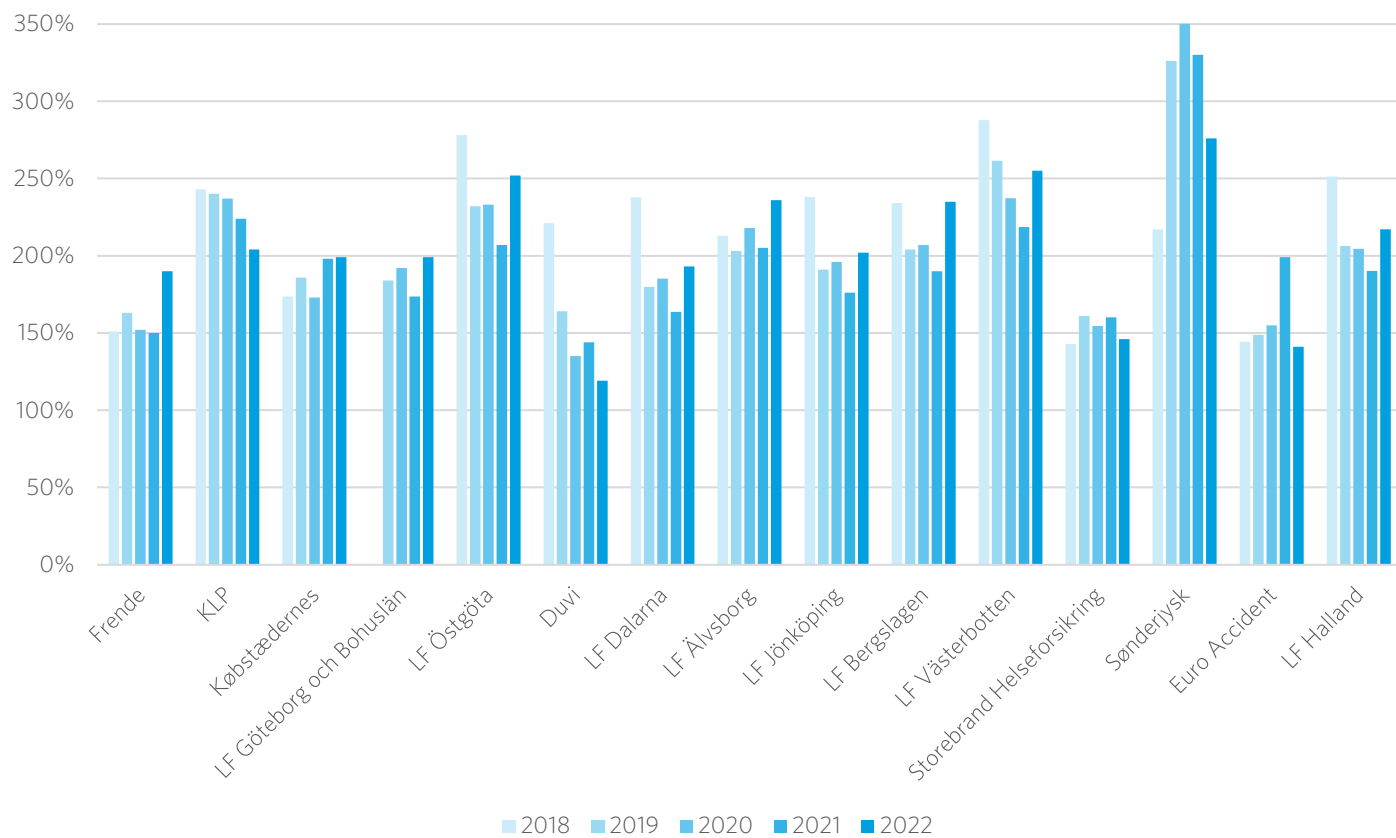
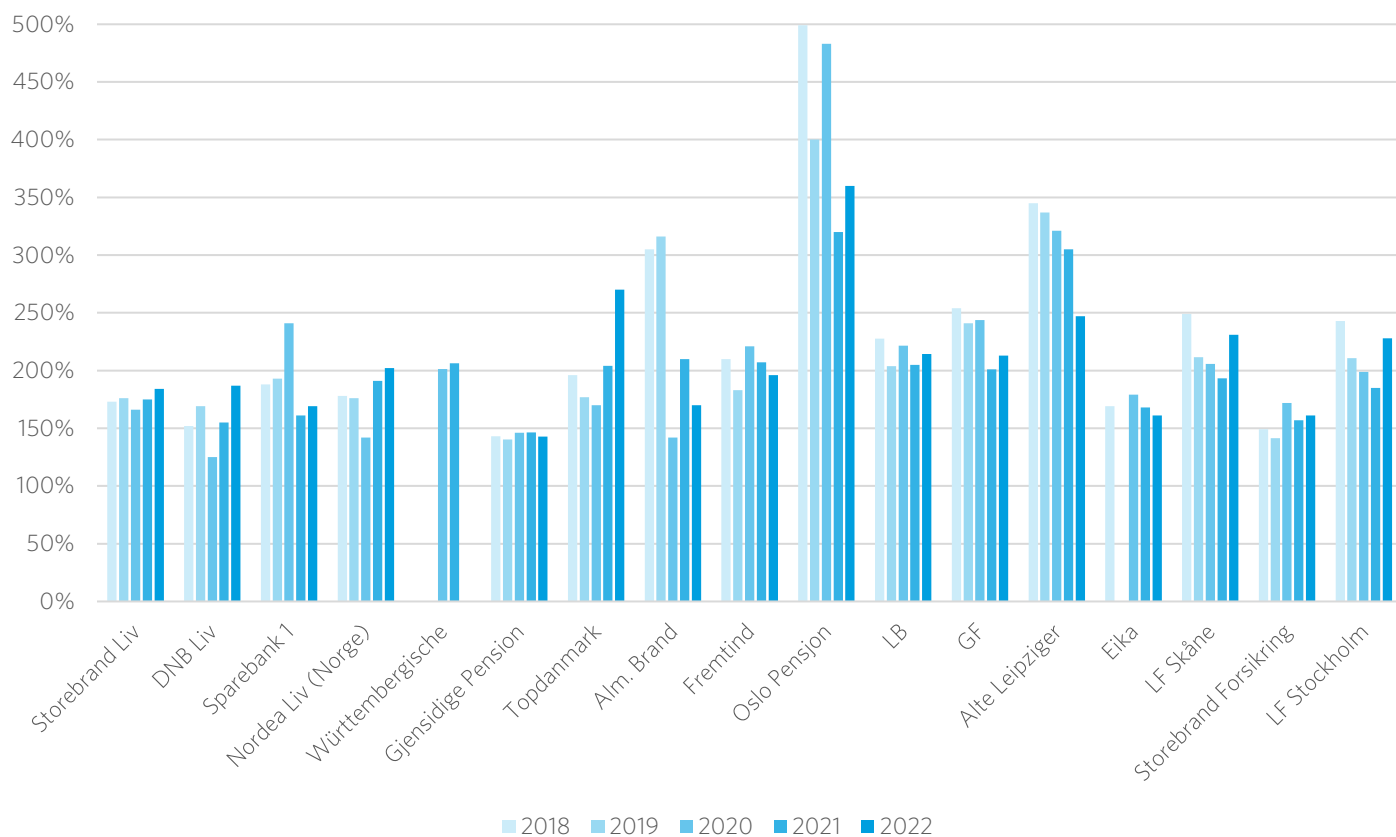
Expense ratio (Local insurers)



Expense ratio (Local insurers)

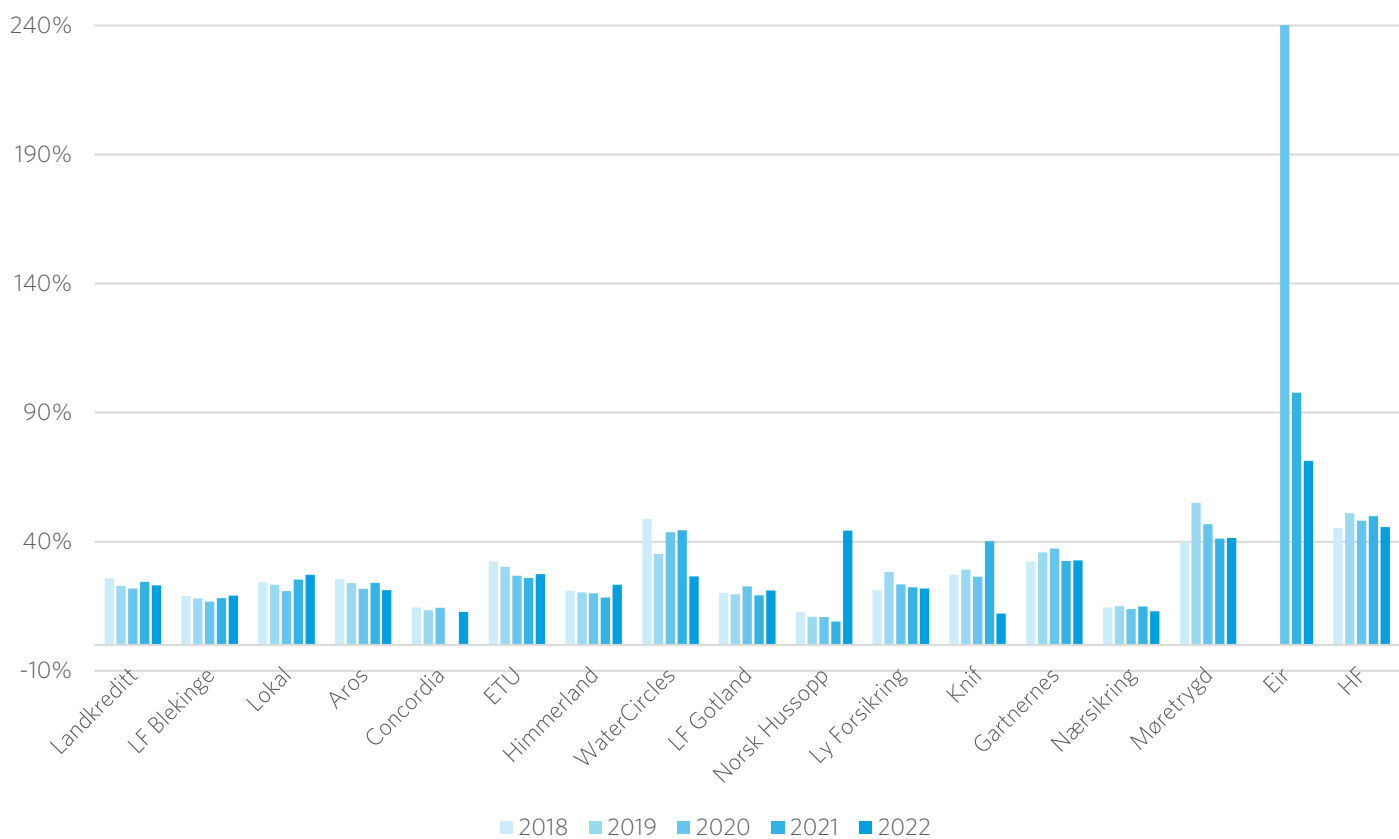
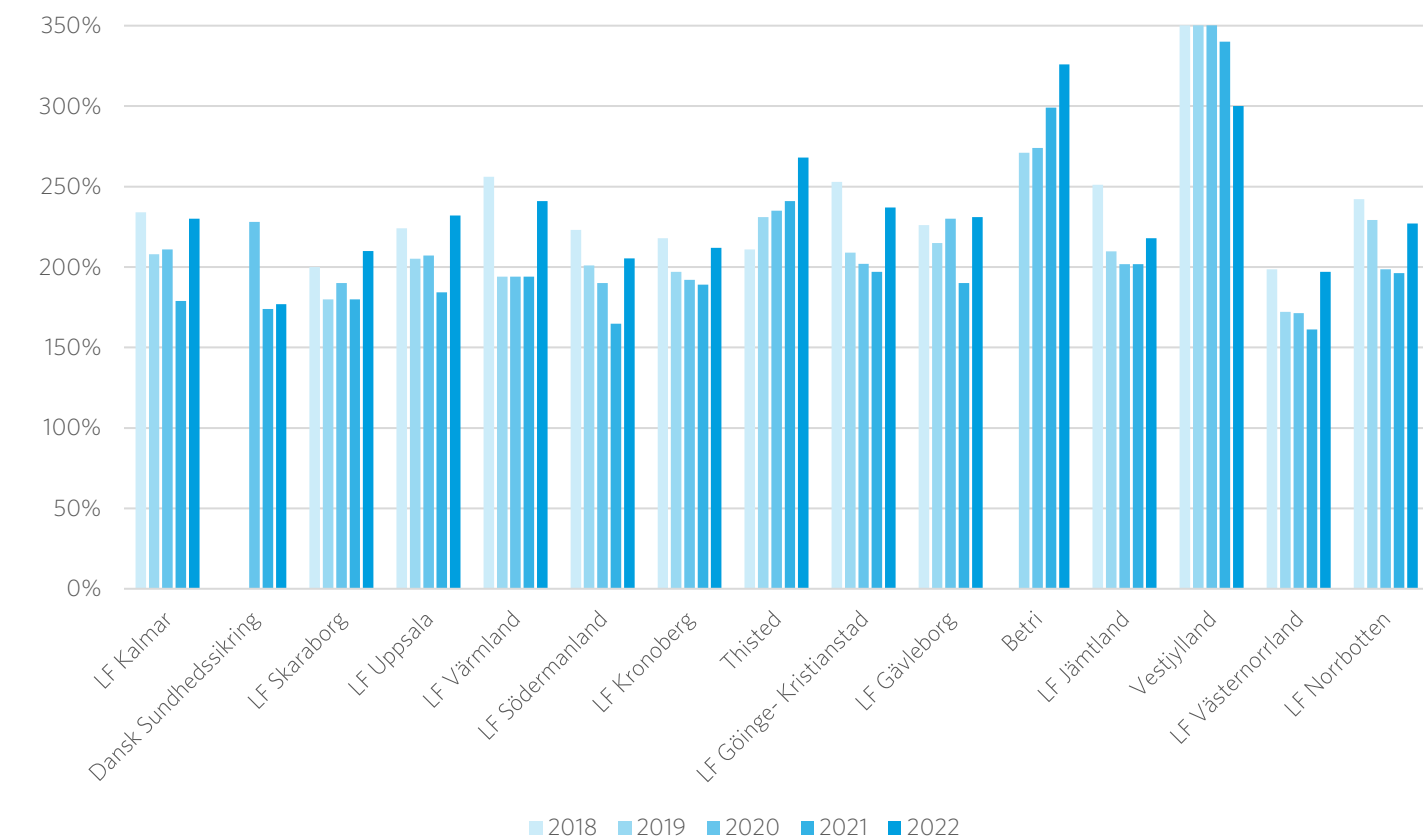


Solvency ratio* (Local insurers)



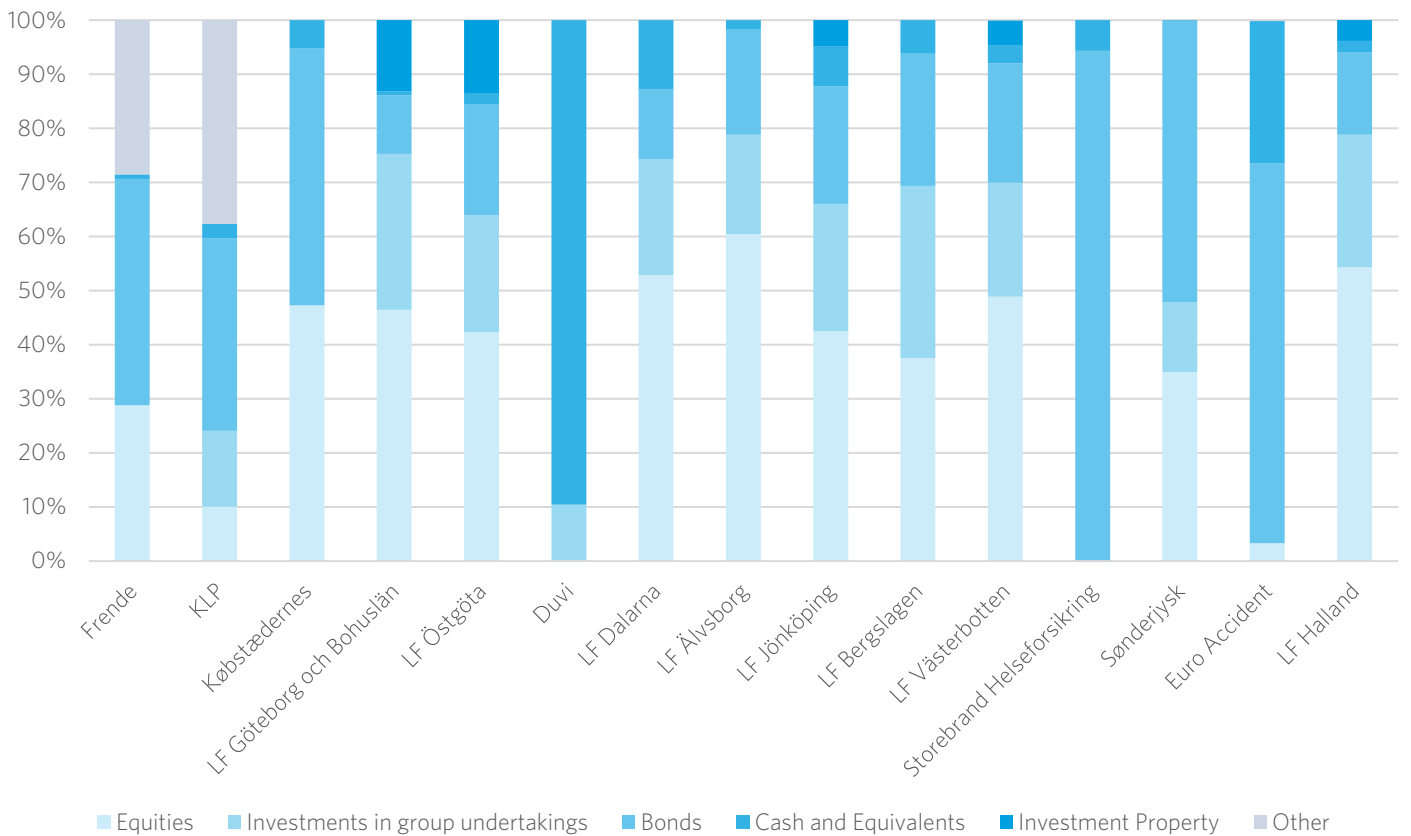
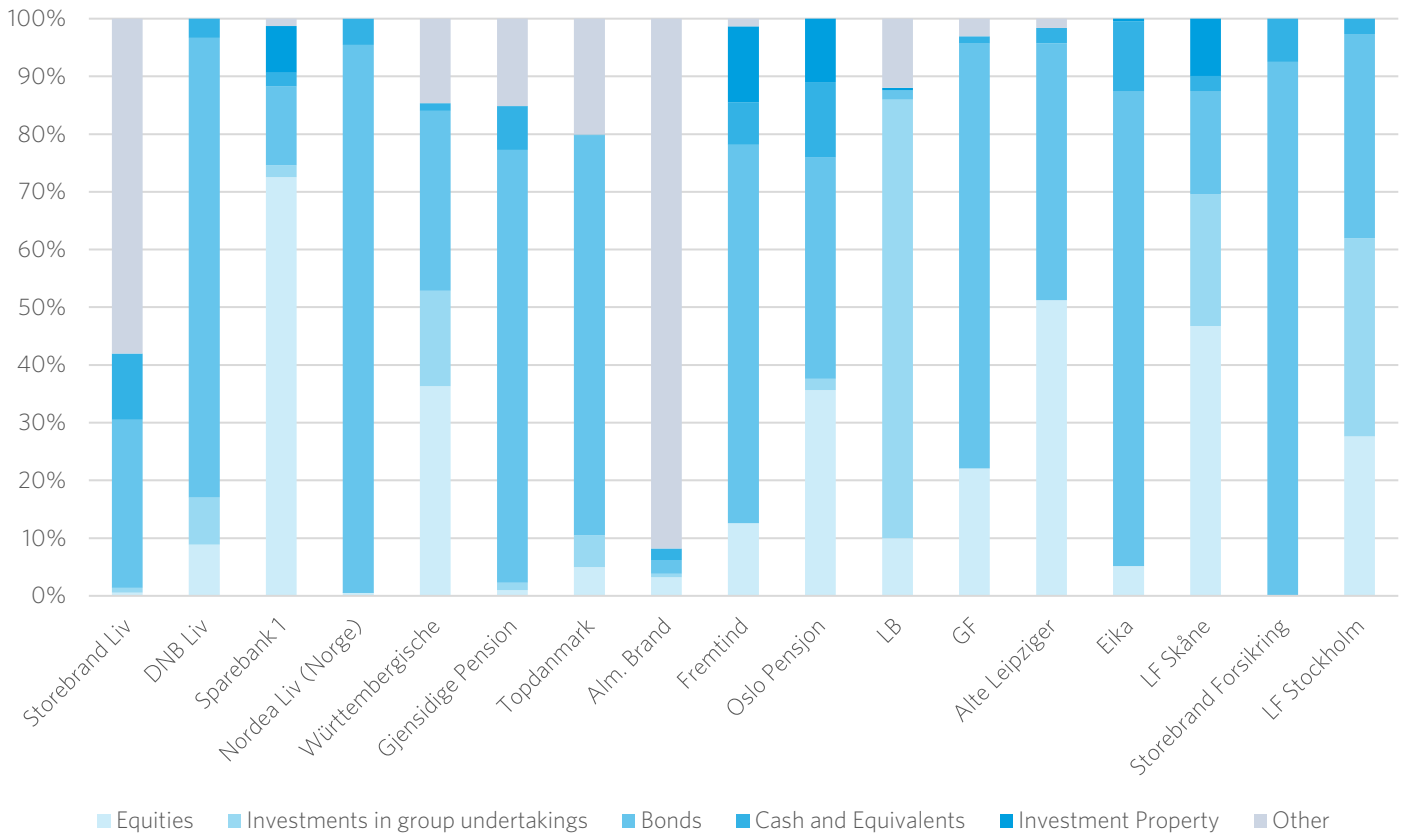
* Only including companies that report their solvency ratios under the Solvency II standard.

Solvency ratio* (Local insurers)

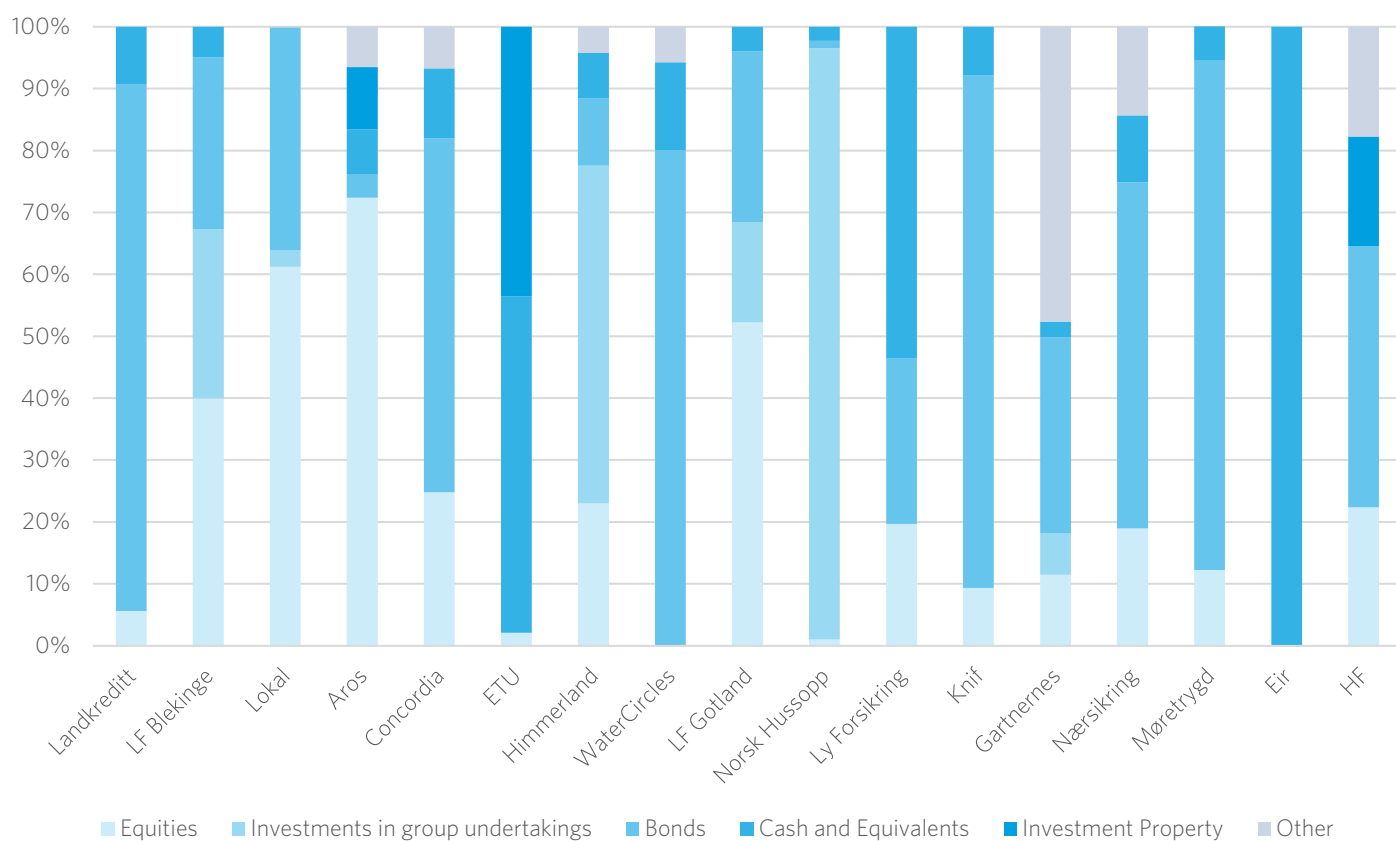
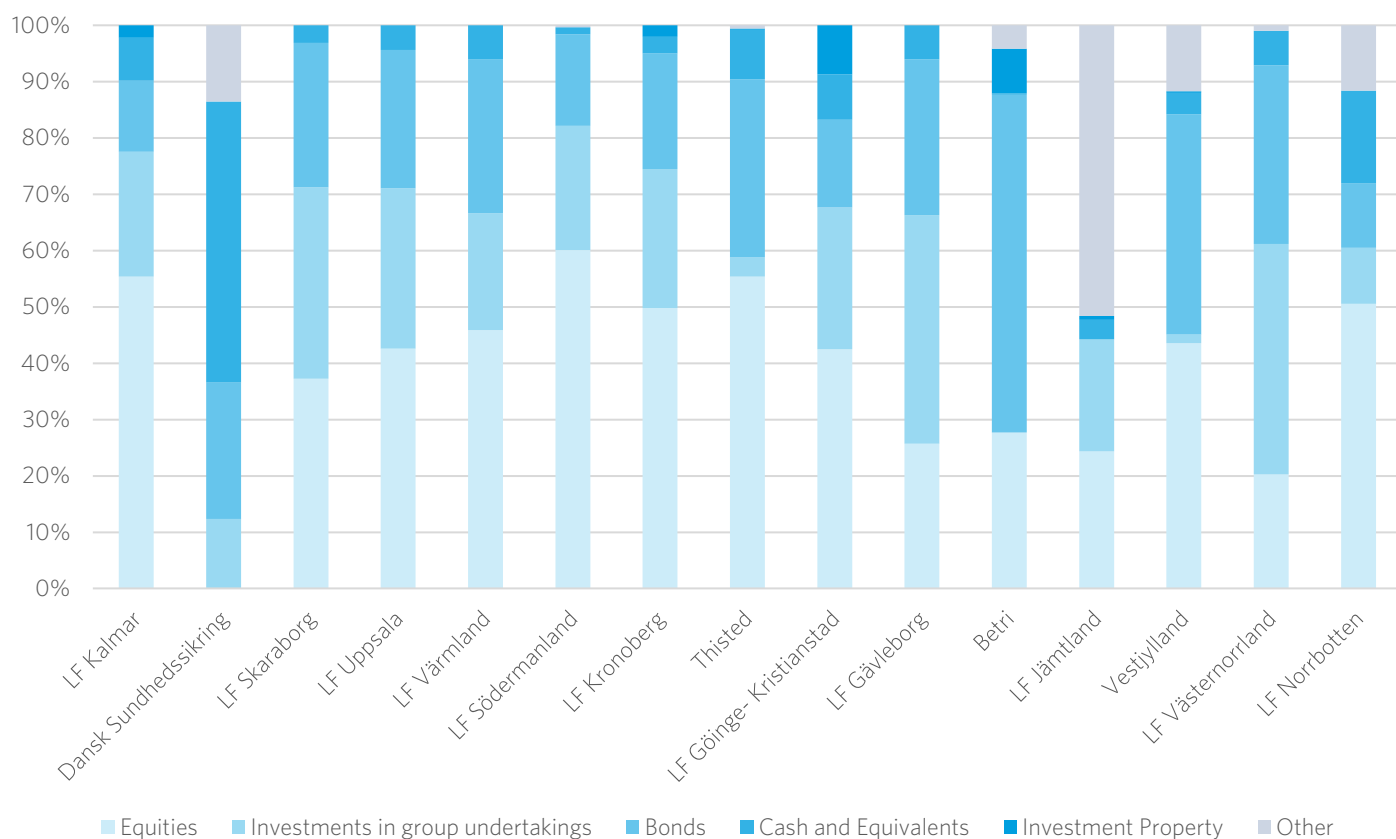


* Only including companies that report their solvency ratios under the Solvency II standard.

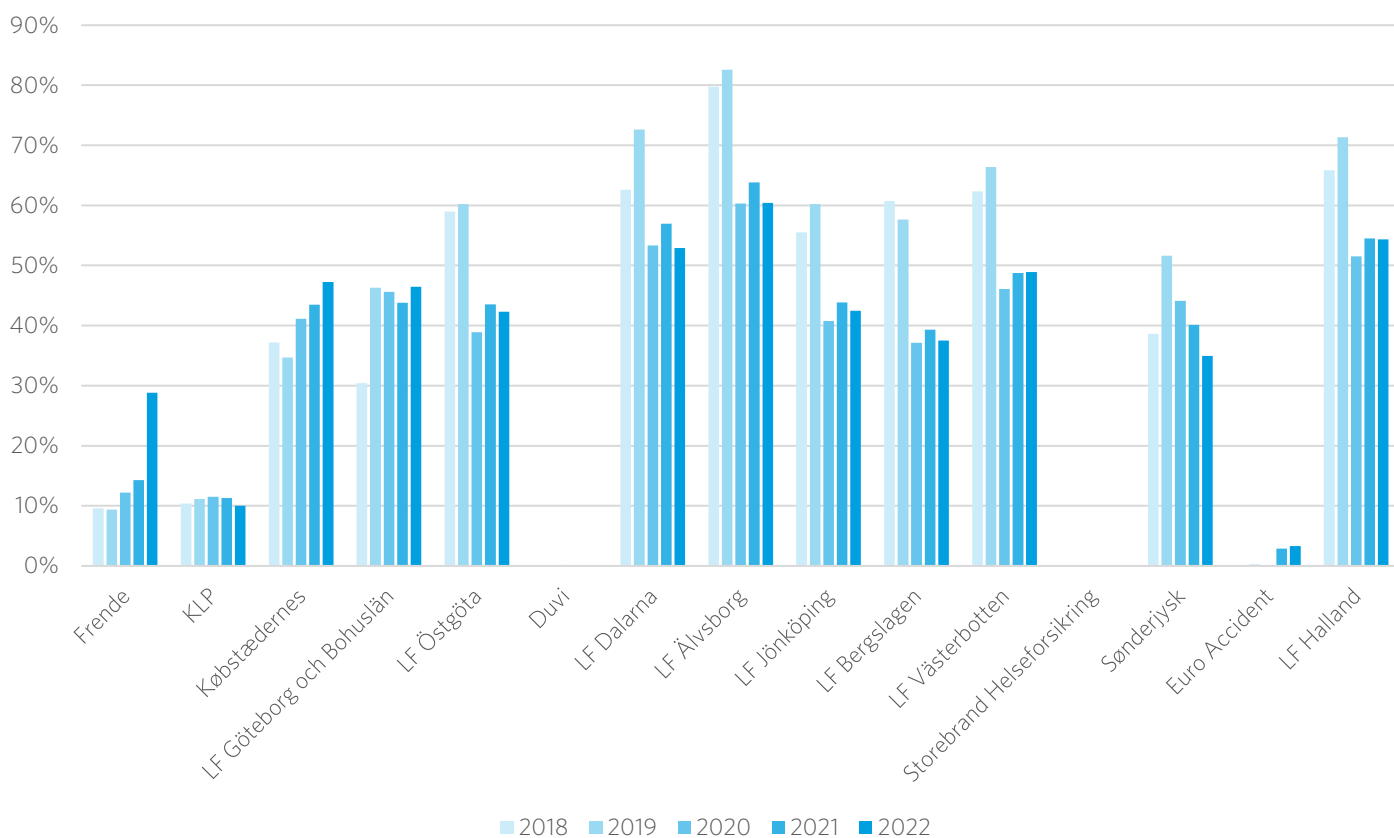
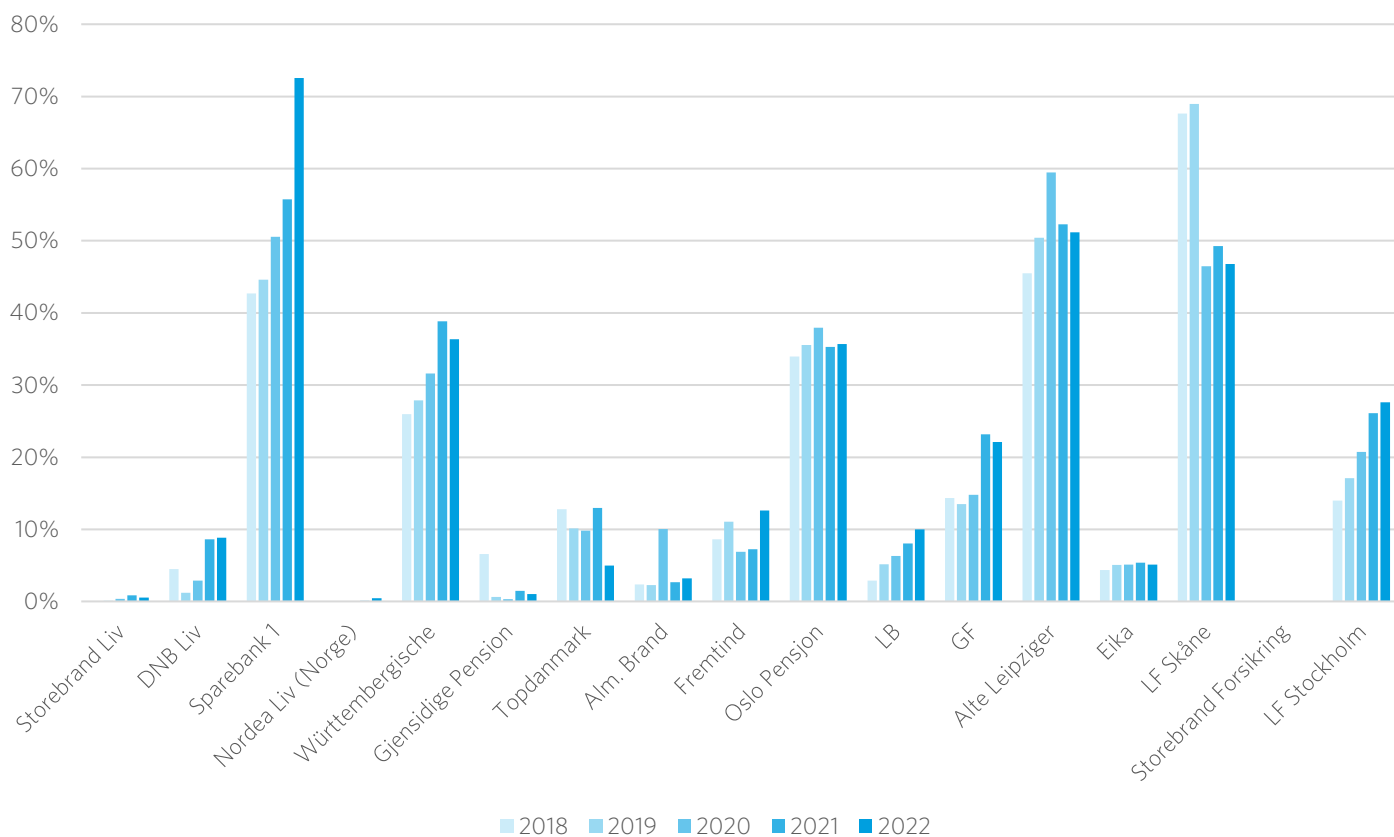
Financial asset composition (Local insurers, 2022)



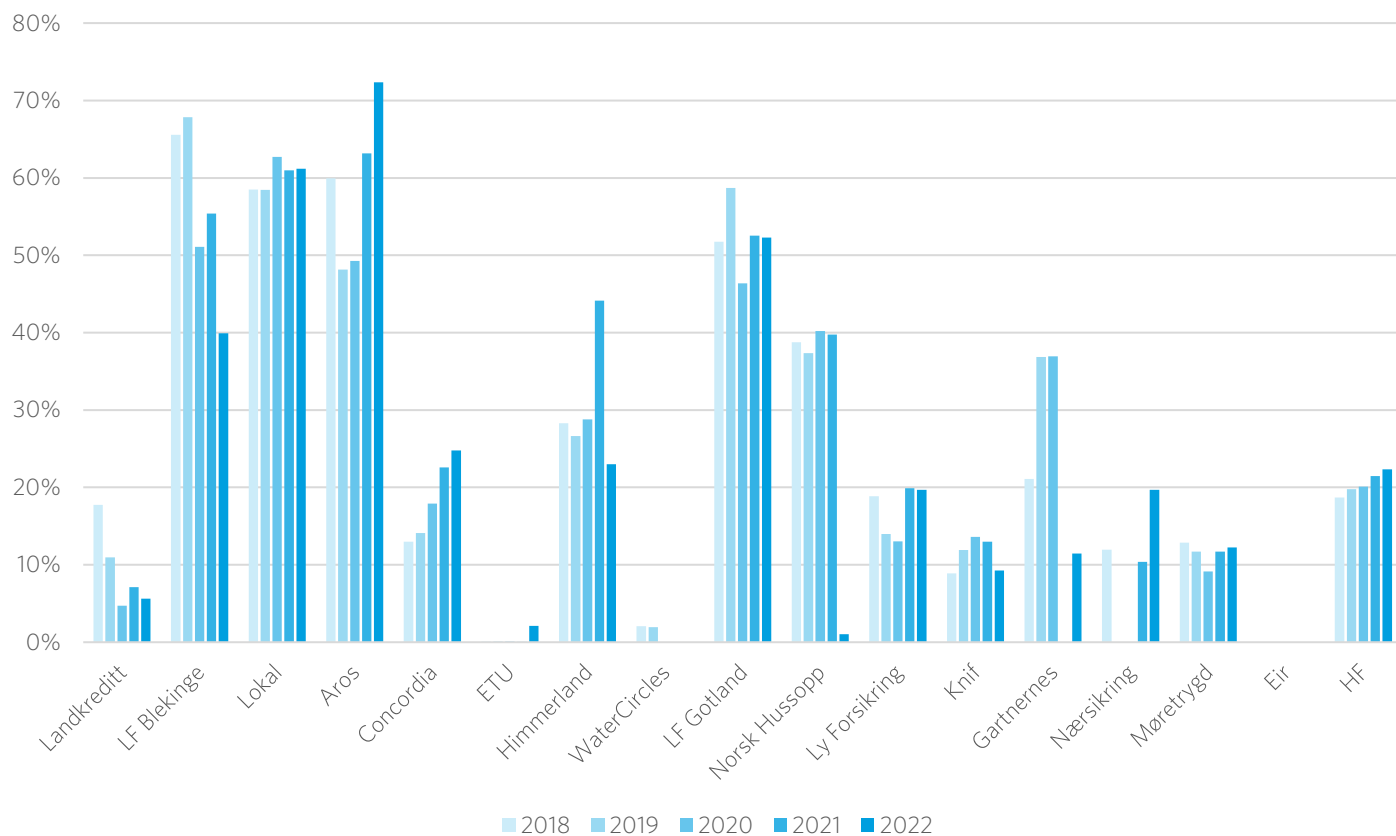
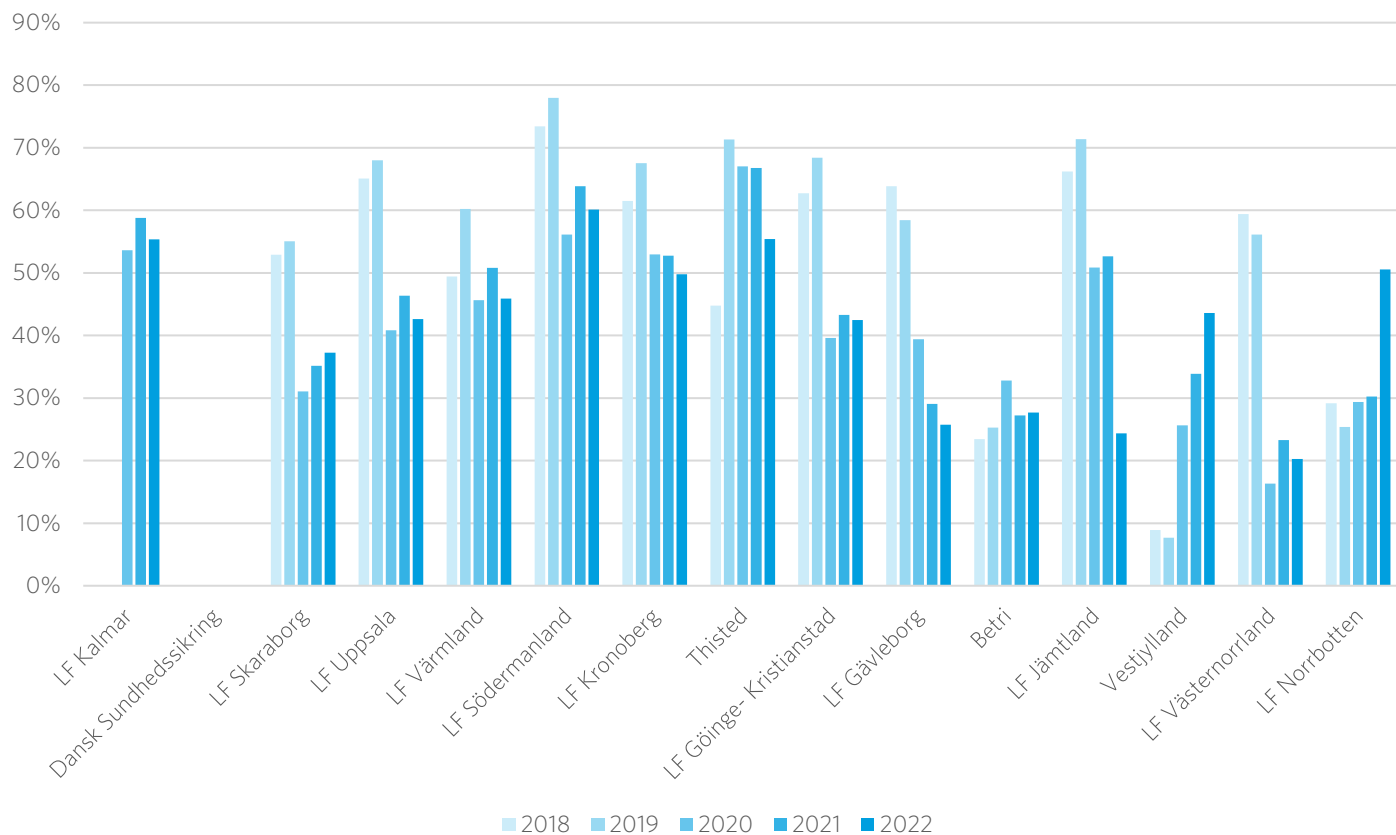
Financial asset composition (Local insurers, 2022)



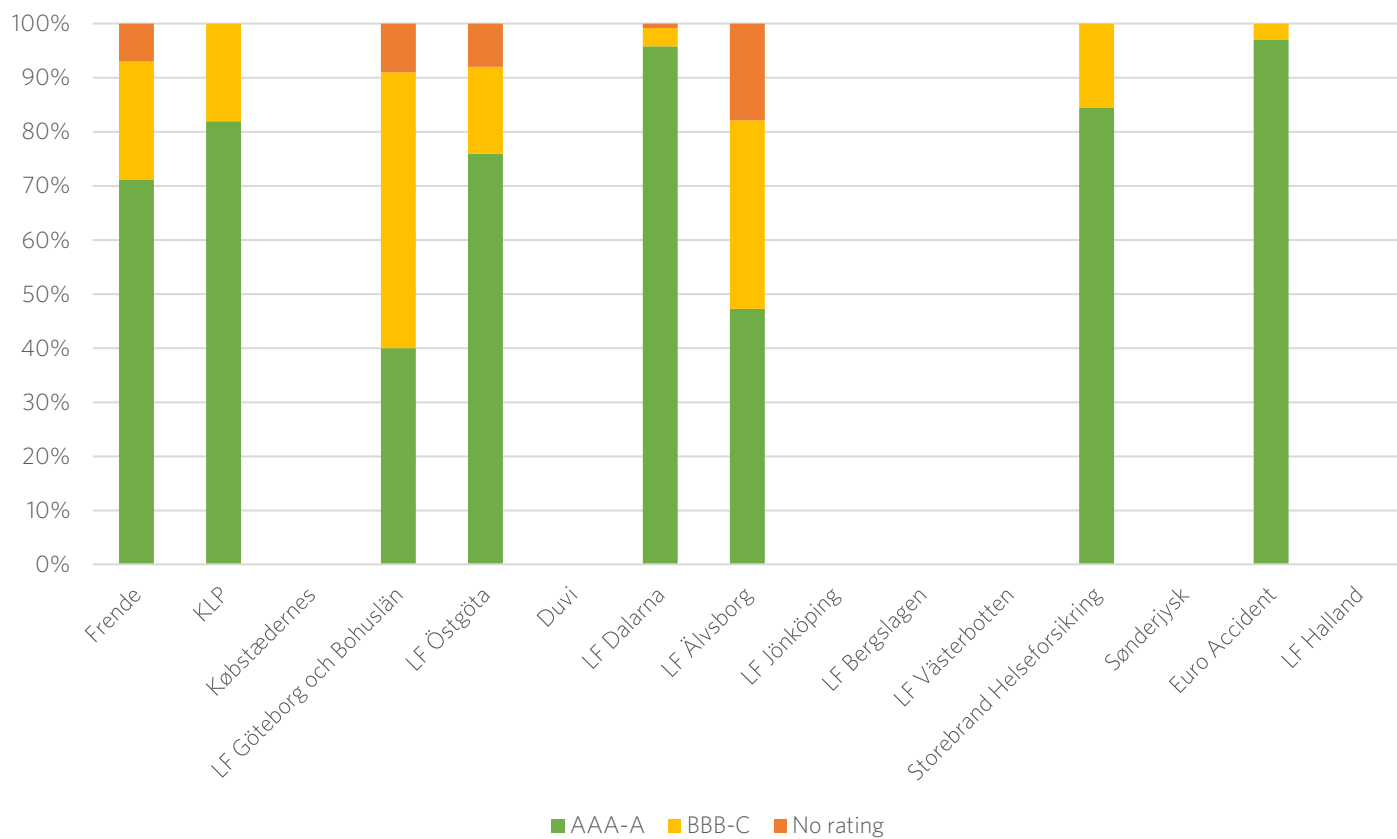
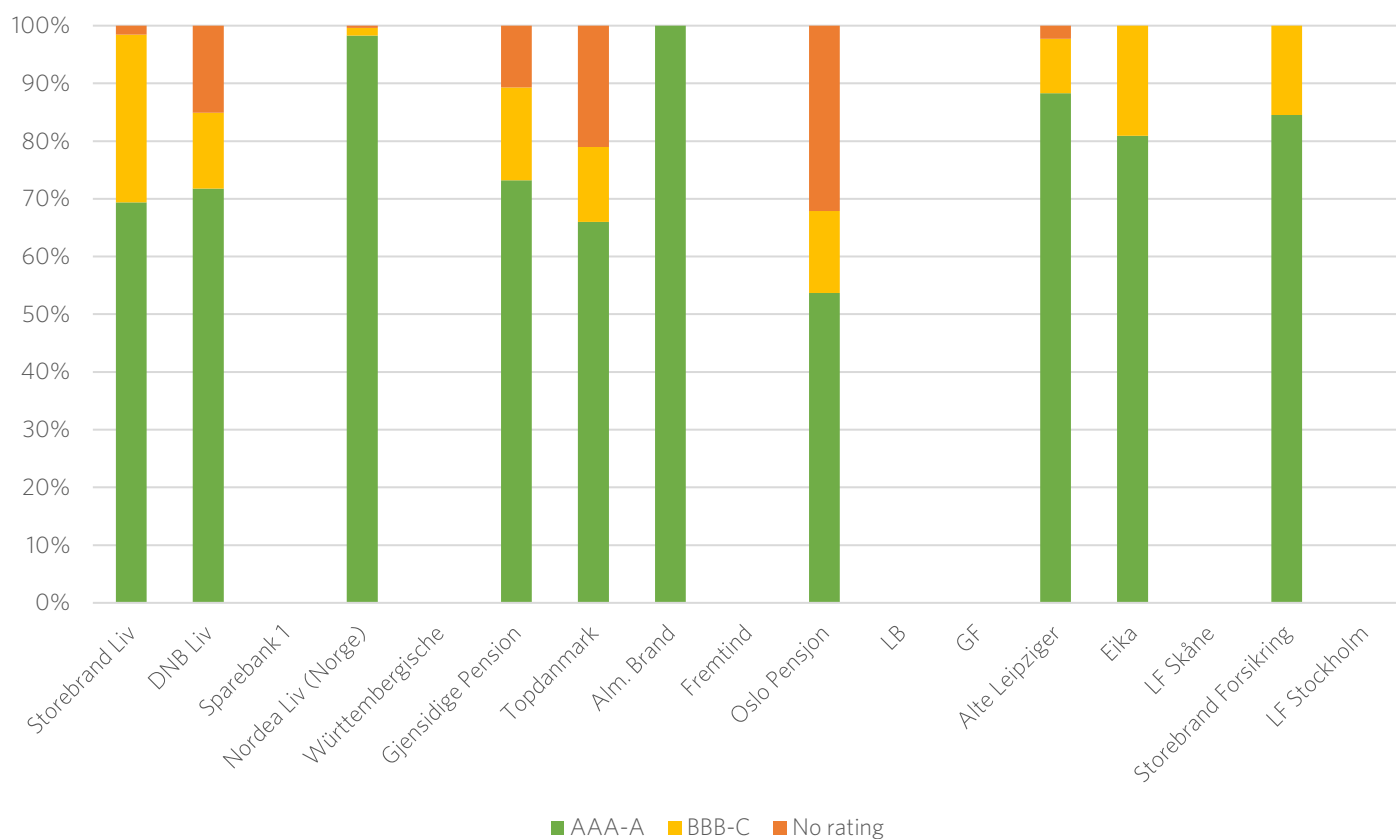
Stocks as percent of financial assets (Local insurers)



Stocks as percent of financial assets (Local insurers)

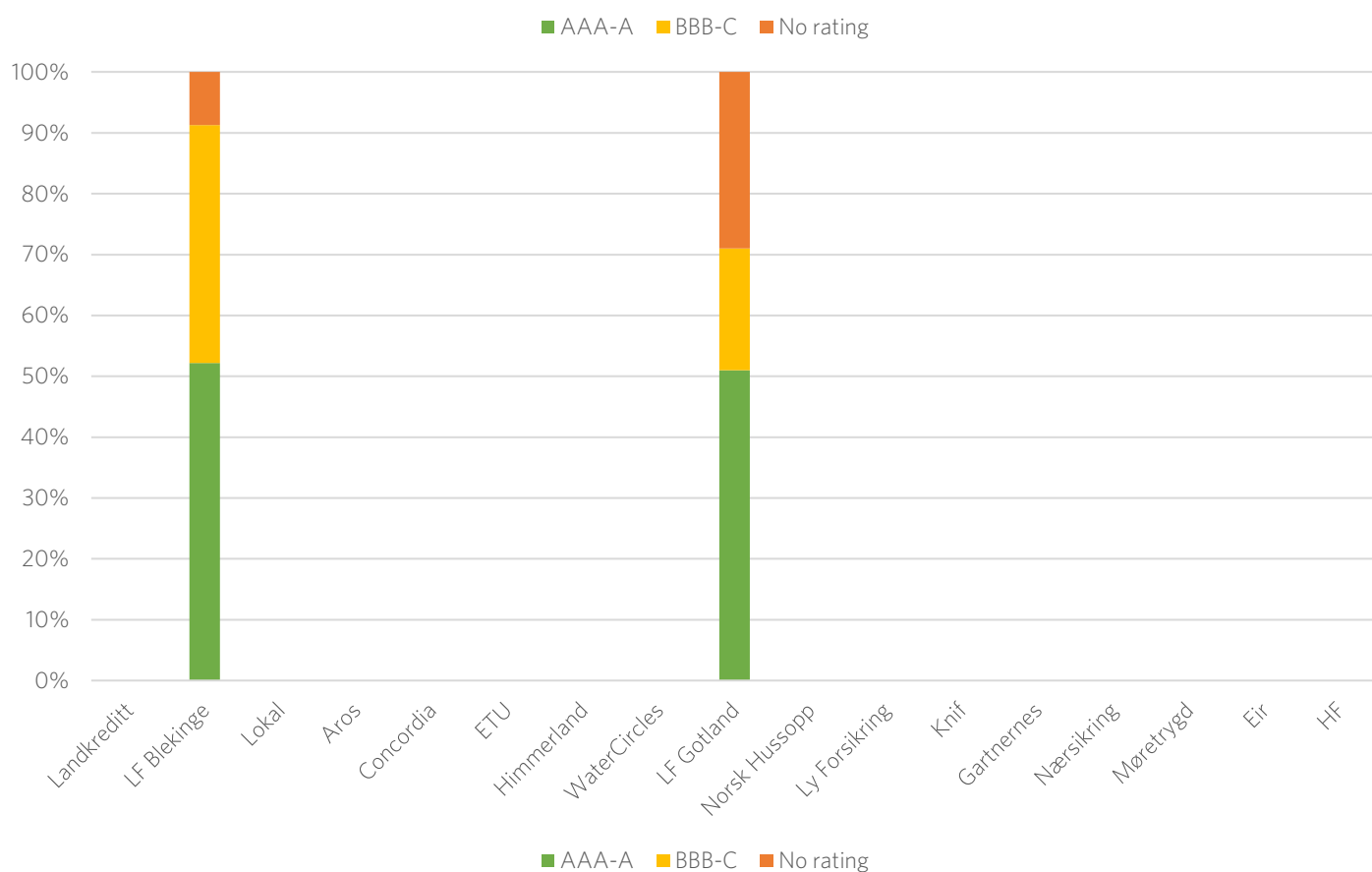
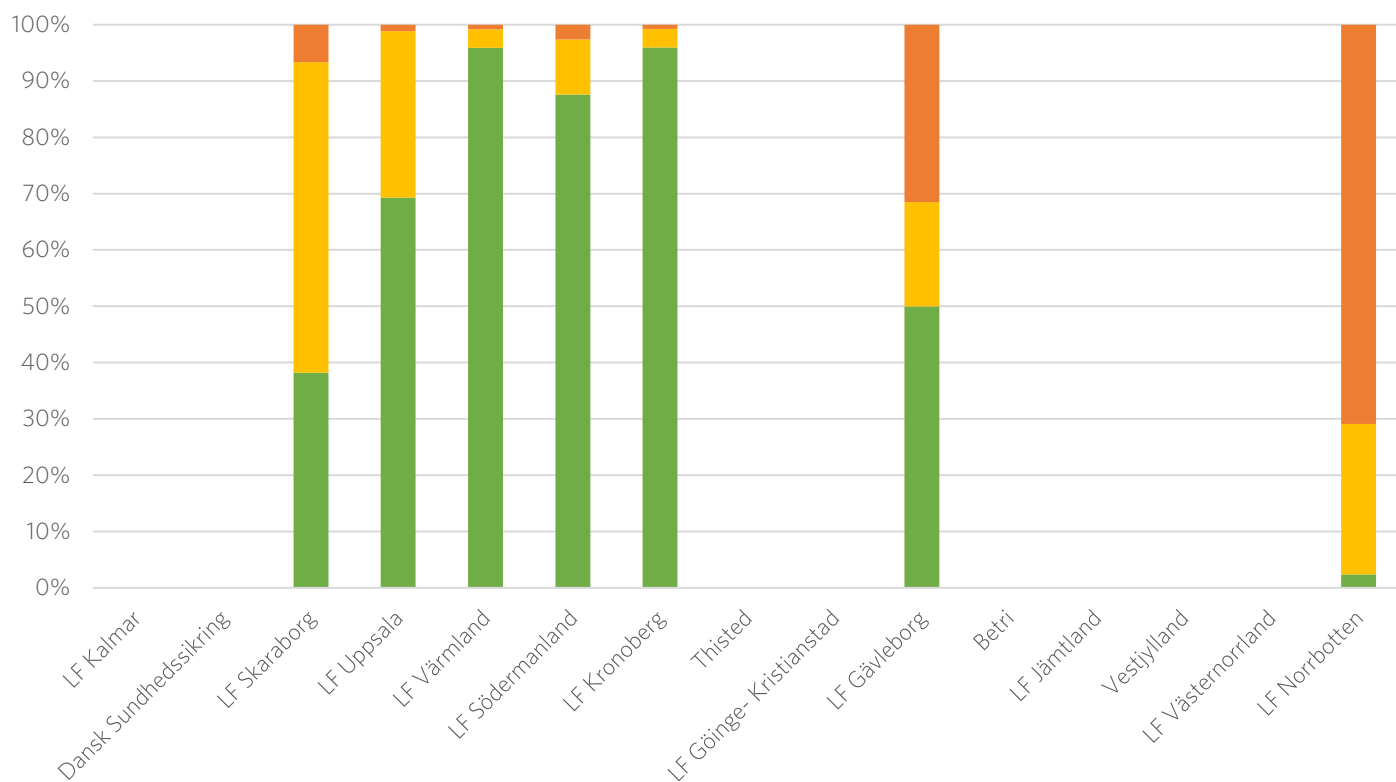


Fixed income portfolio rating* (Local insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.

Fixed income portfolio rating* (Local insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.

A blurred background image of a financial trading interface. It features a candlestick chart with teal and yellow bars, overlaid with a yellow trend line. At the top, there are text elements including 'K15', 'Bid', 'Ask', 'Auto', and 'Shift'. A specific data point is highlighted with a red box showing '1.45053' and a blue box showing '1.4508'. The text 'GBPUSD M15' is also visible.

ANALYSIS OF FINANCIAL STRENGTH

Other/Niche Insurers

Ratings

Other/Niche insurer ratings

As of October 2023

Insurance company	Kort namn	Standard & Poor's	A.M. Best	Fitch	Moody's	Söderberg & Partners
Accelerant Insurance Europe SA	Accelerant	-	A-	-	-	-
Aetna Health Insurance Company of Europe DAC	Aetna	-	-	-	-	gray
Alandia Försäkring Abp	Alandia	A-	-	-	-	-
Arch Insurance (EU) Designated Activity Co.	Arch EU	A+	-	-	-	-
Astrenska Insurance Ltd	Astrenska	-	-	-	-	green
AXA Assurances Vie Luxembourg SA	AXA Luxembourg	-	-	-	-	green
Brandkontoret	Brandkontoret	-	-	-	-	green
Bud og Hustad Forsikring	Bud og Hustad	-	-	-	-	green
Collinson Insurance Europe Ltd	Collinson	-	-	-	-	green
Convex Europe SA	Convex	A-	A	-	-	-
Europæiske Rejseforsikring A/S (ERV)	Europeiska ERV	-	-	A+	-	-
Garantia Insurance Company Ltd	Garantia	A-	-	-	-	-
Gar-Bo Försäkring AB	Gar-Bo	-	B++	-	-	-
HCC International Insurance Co. Plc	HCC	A+	-	-	-	-
Havtrygd Gjensidig Forsikring	Havtrygd	-	-	-	-	green
Hübener Versicherungs AG	Hübener	-	-	-	-	green
International General Insurance (UK) Ltd	IGI	A-	A	-	-	-
Newline Europe Versicherung AG	Newline	-	A+	-	-	-
Nordic Guarantee	Nordic Guarantee	-	-	-	-	red
Nordlys Forsikring Gjensidig	Nordlys	-	-	-	-	green
Roland Rechtsschutz VAG	Roland	-	-	-	-	green
Skogbrand Forsikringselskap Gjensidig	Skogbrand	-	-	-	-	green
VHV Allgemeine Versicherung AG	VHV Allgemeine	A+	-	-	-	-
YOUPLUS Assurance AG	YOUPLUS	-	-	-	-	green

Related default rates

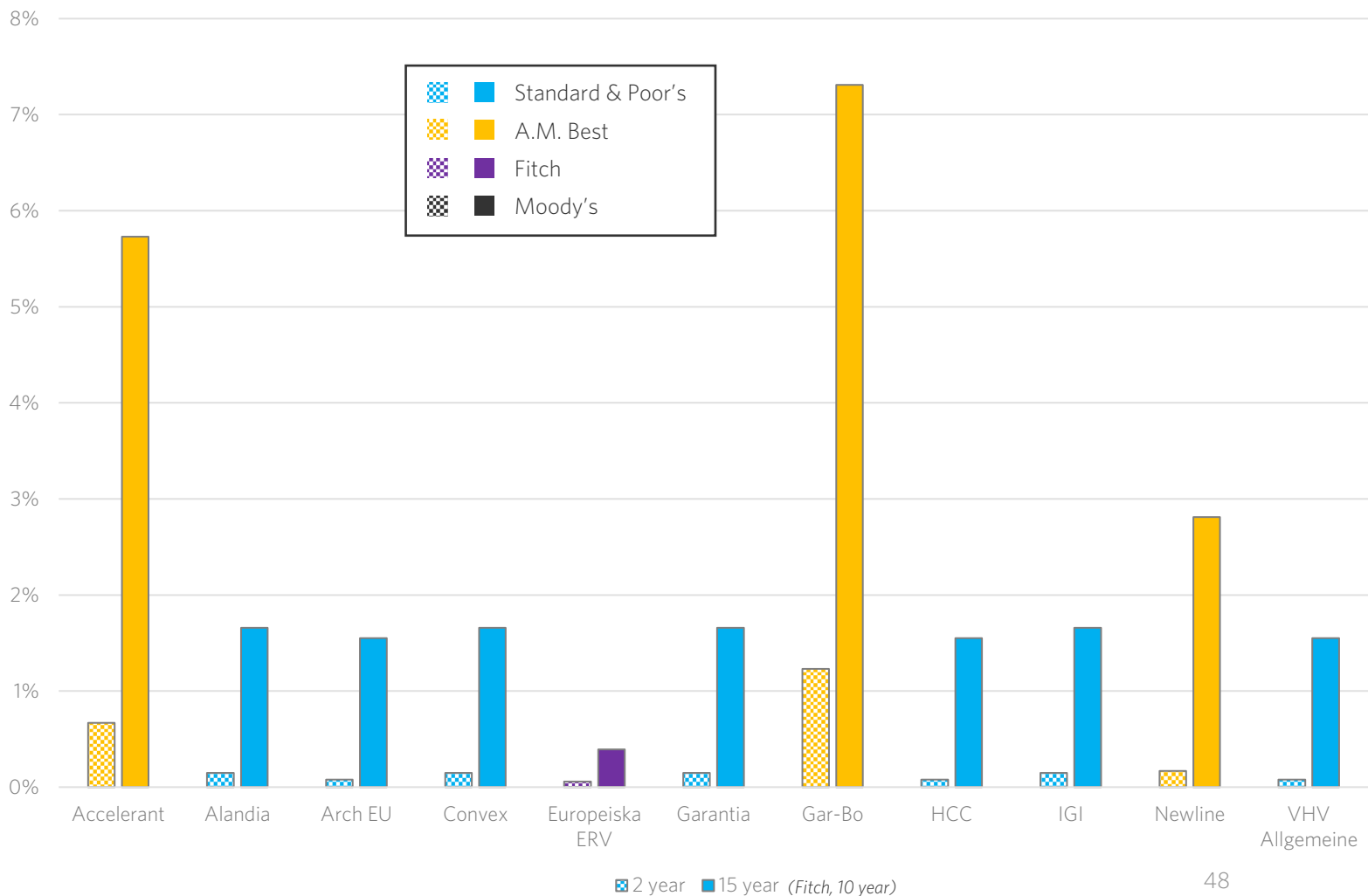
Financial strength ratings and default rates

The financial strength ratings provided by rating agencies are recognized parameters of credit quality in the insurance industry. Ratings may also impact debt covenants and reinsurance programmes that an insurance company is involved in. The higher the rating, the greater the assessed financial strength, which historically has been correlated with a lower risk of default or financial impairment.

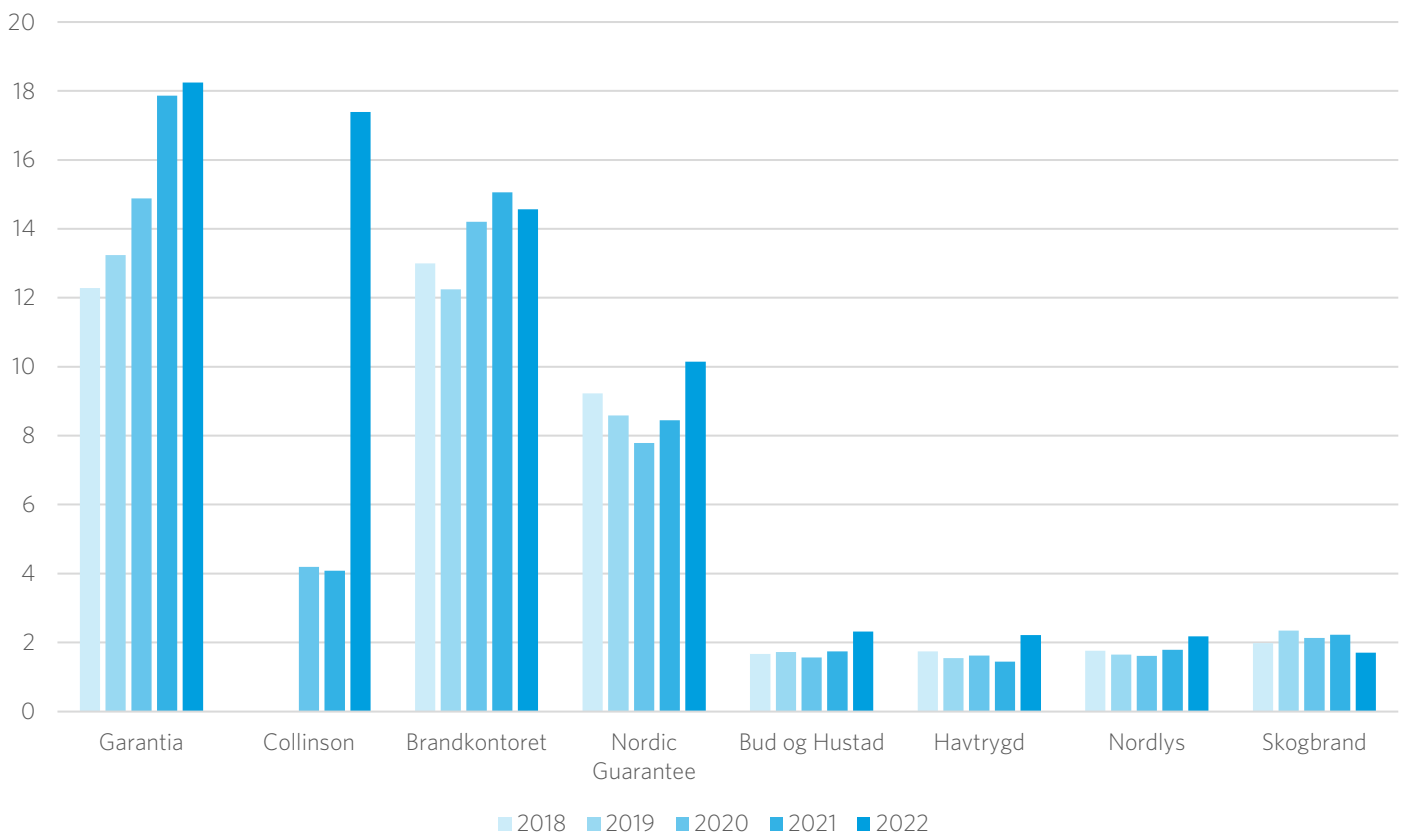
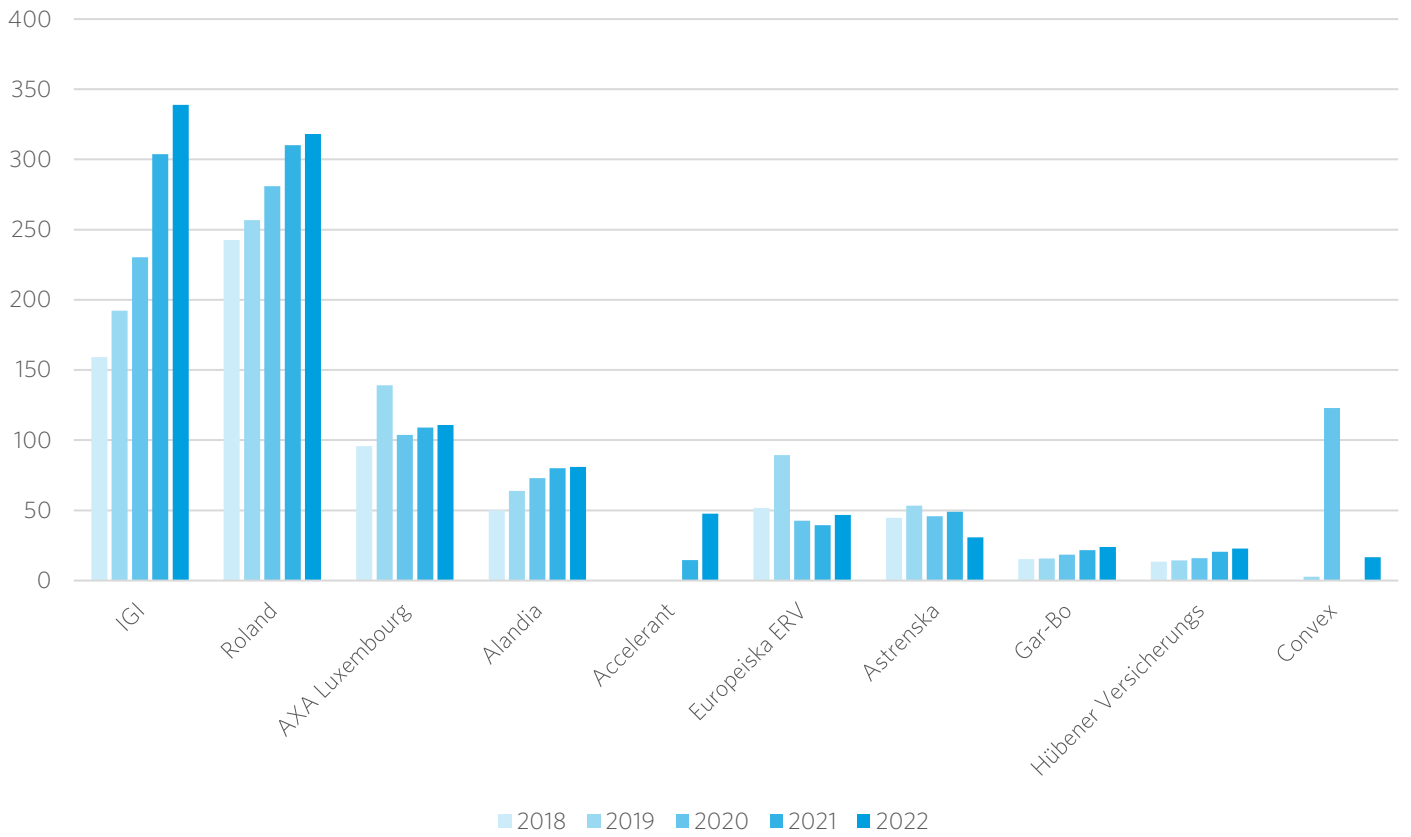
The observed two- and 15-year rates of default or financial impairment that correspond to the insurers' financial strength rating classes are presented in the graph below. Note that the default rates are estimated from studies carried out by the rating agencies themselves. Only insurers that are rated by a rating agency are included in the graph.

Historically observed rates of default or financial impairment

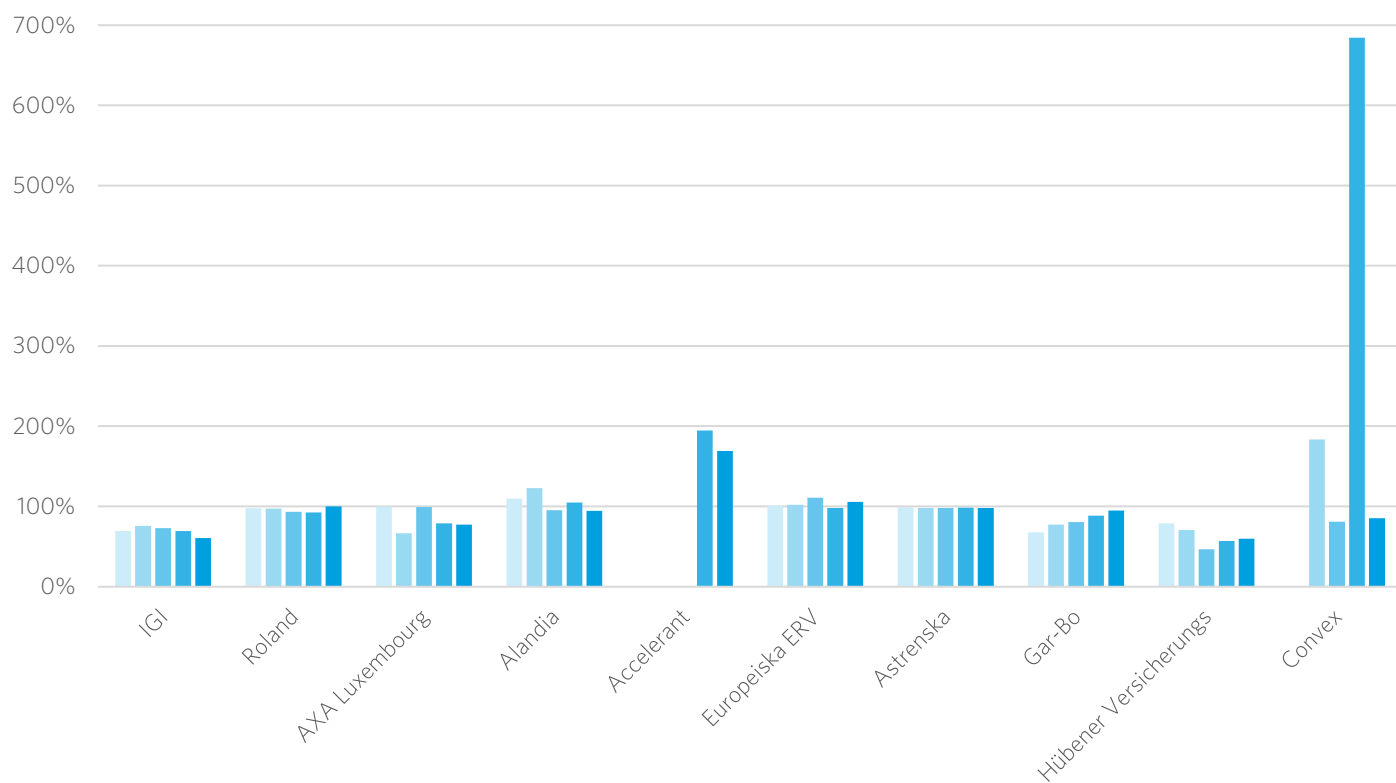
Other/Niche insurers



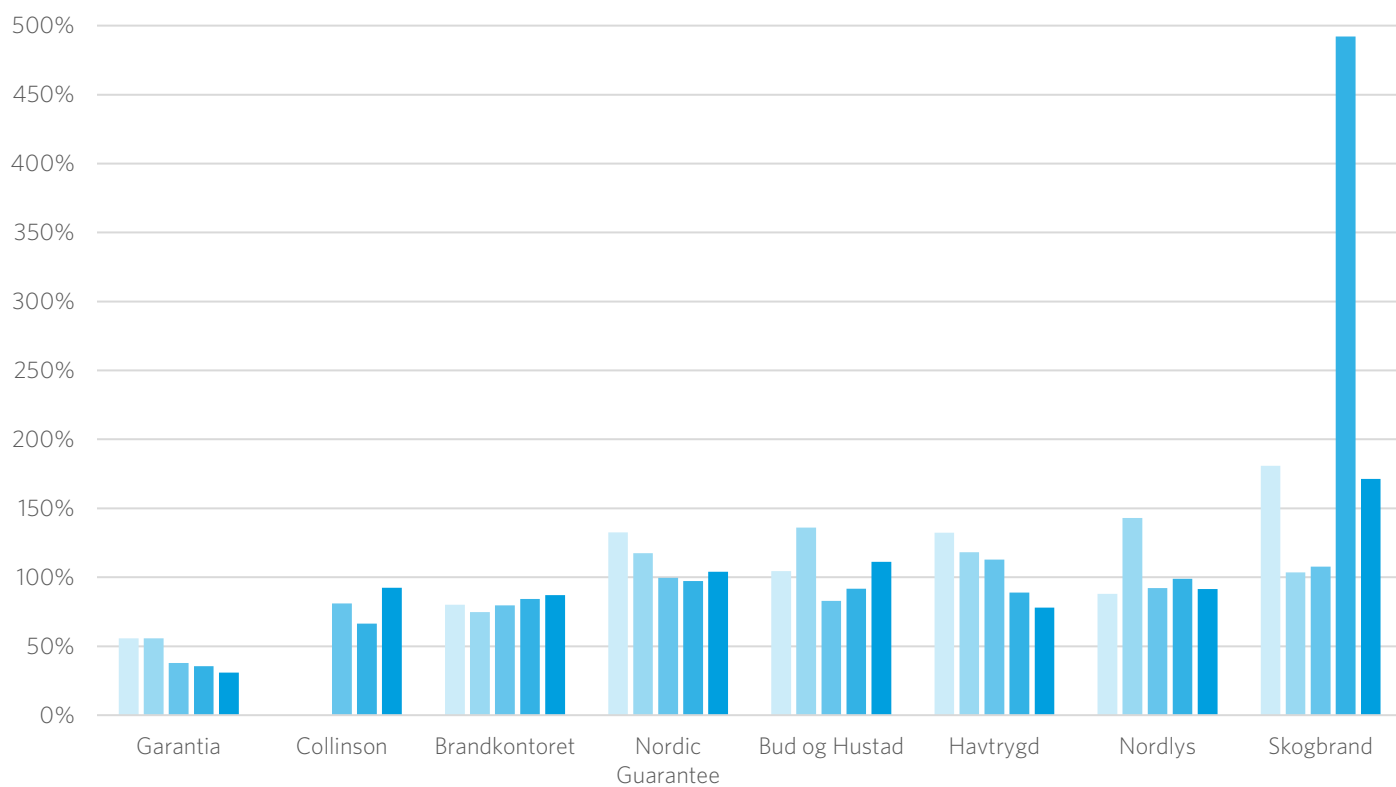
Premiums earned (Other/Niche insurers, MEUR)



Combination ratio (Other/Niche insurers)

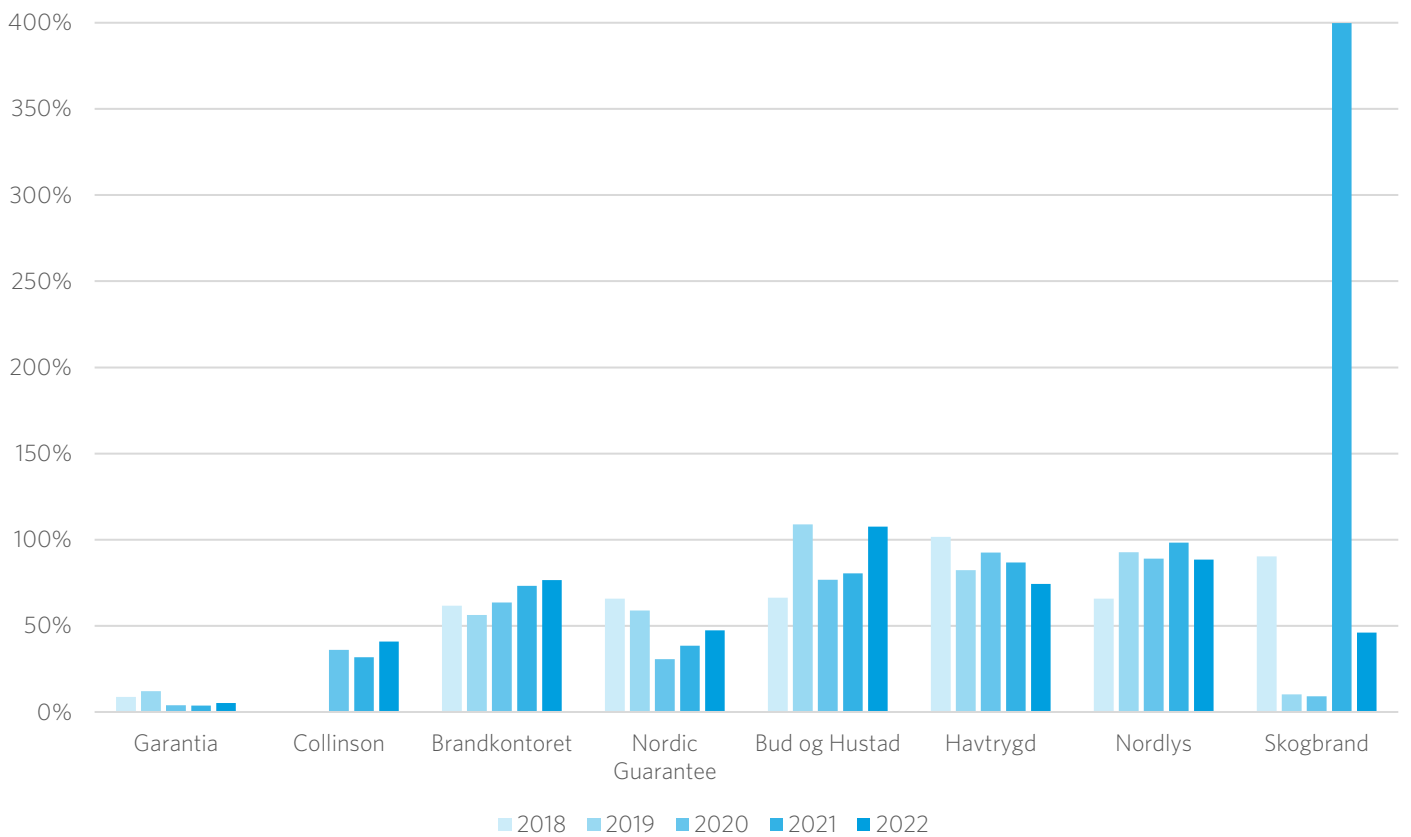
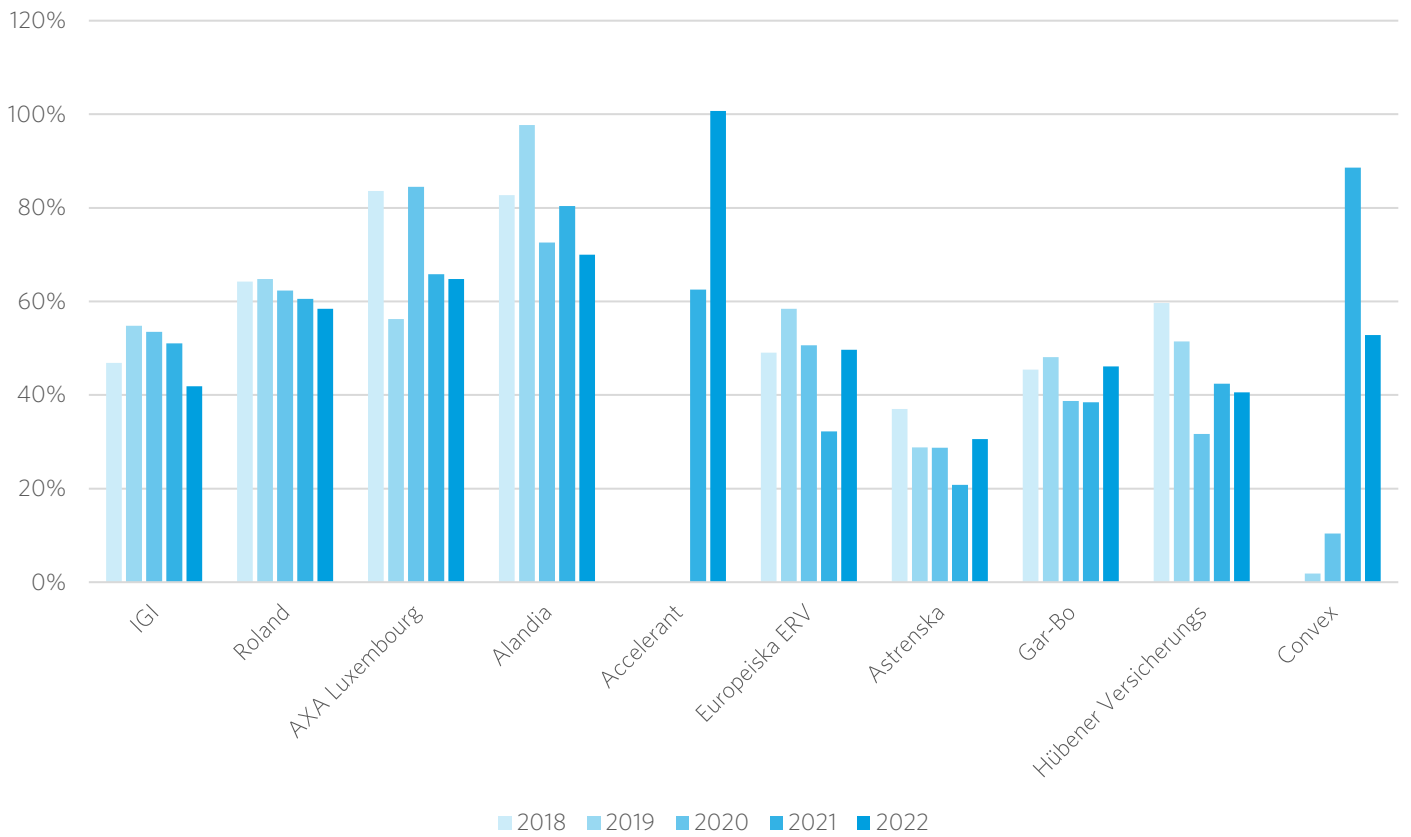


2018 2019 2020 2021 2022

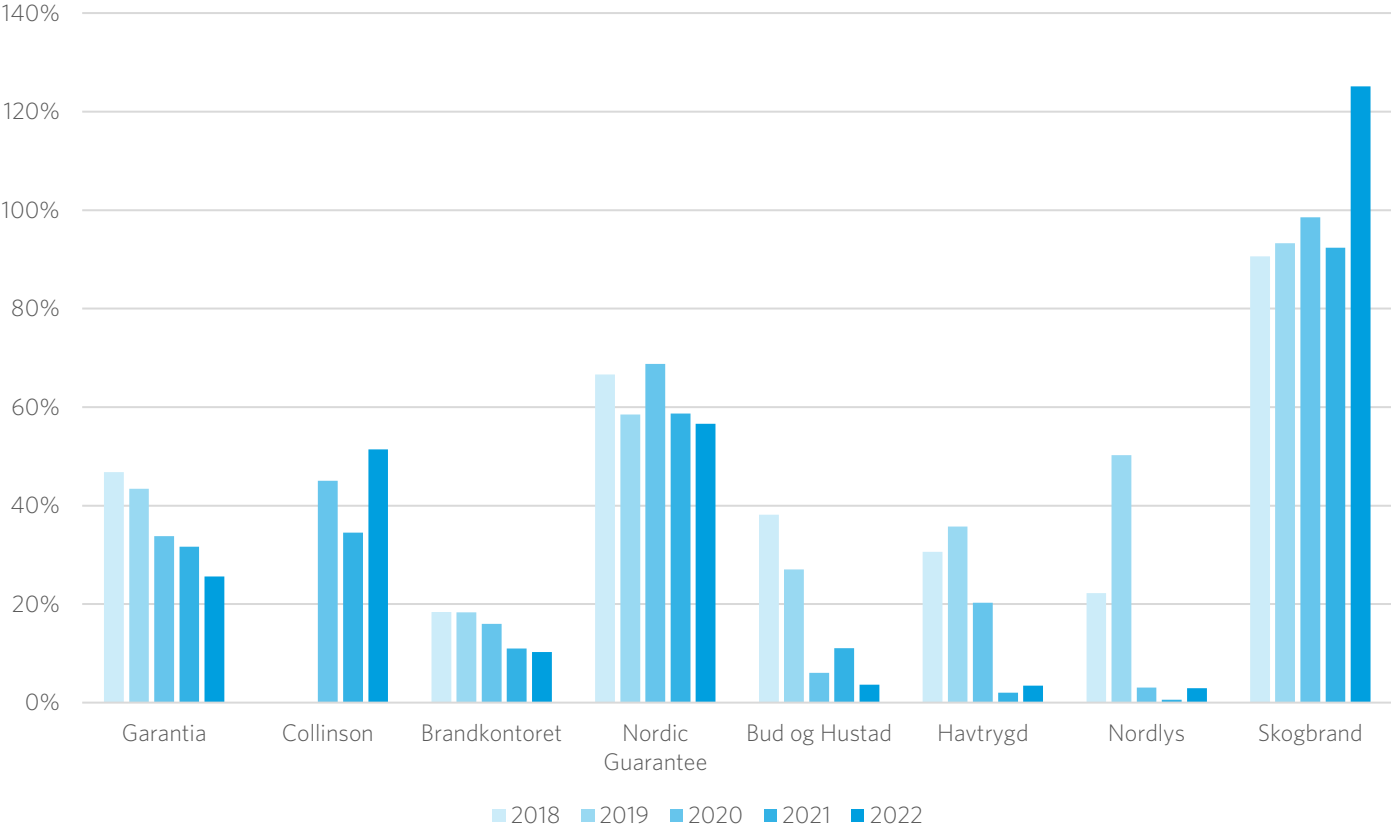
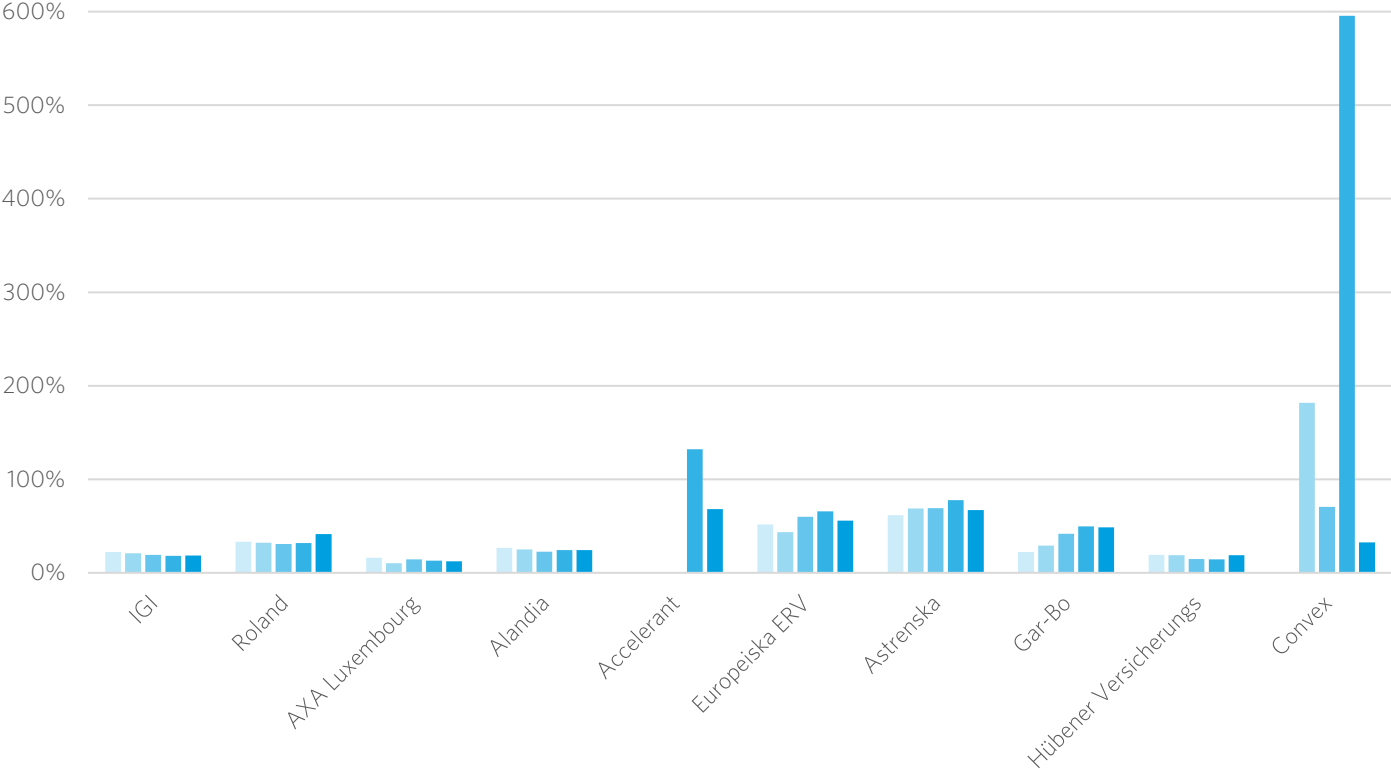


2018 2019 2020 2021 2022

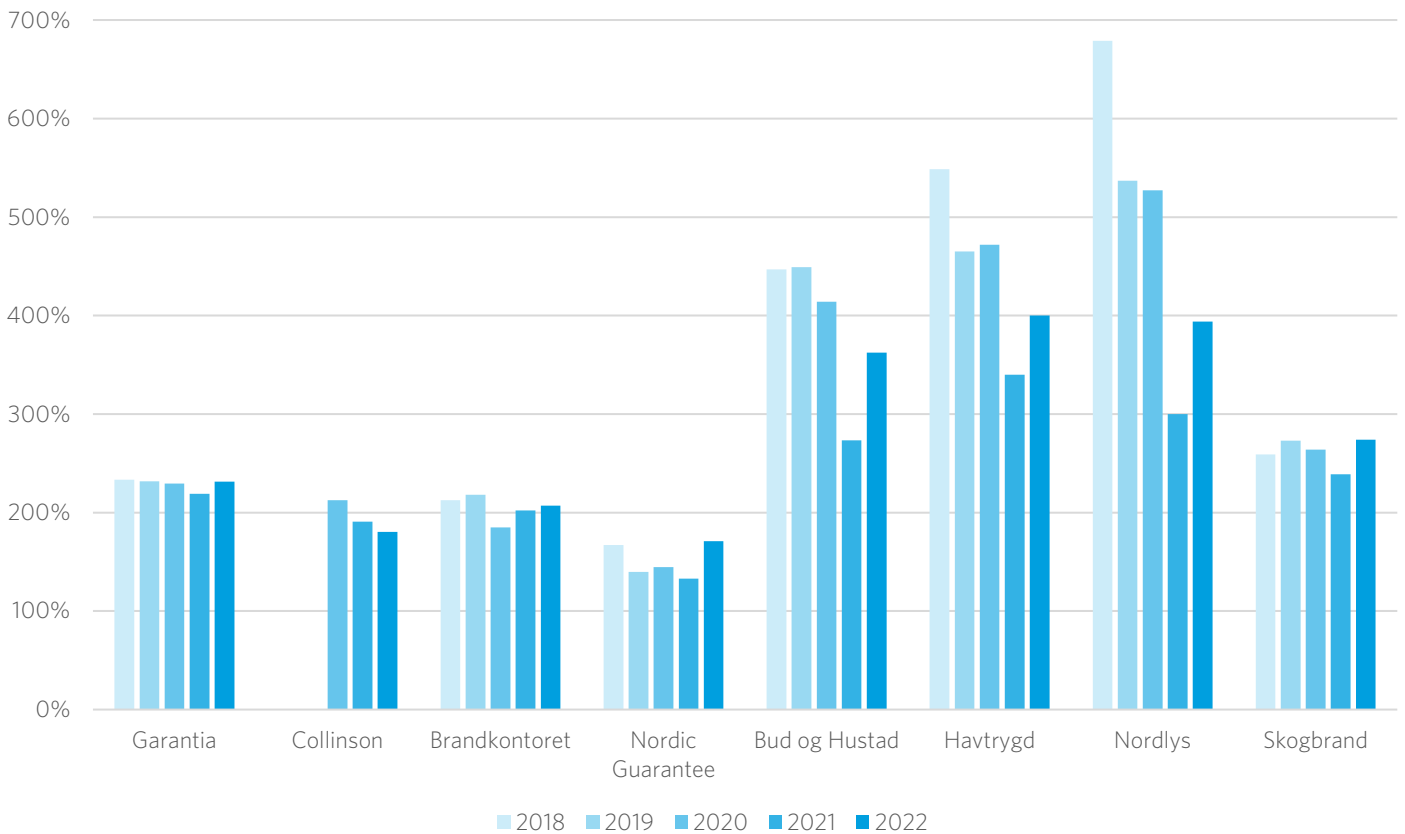
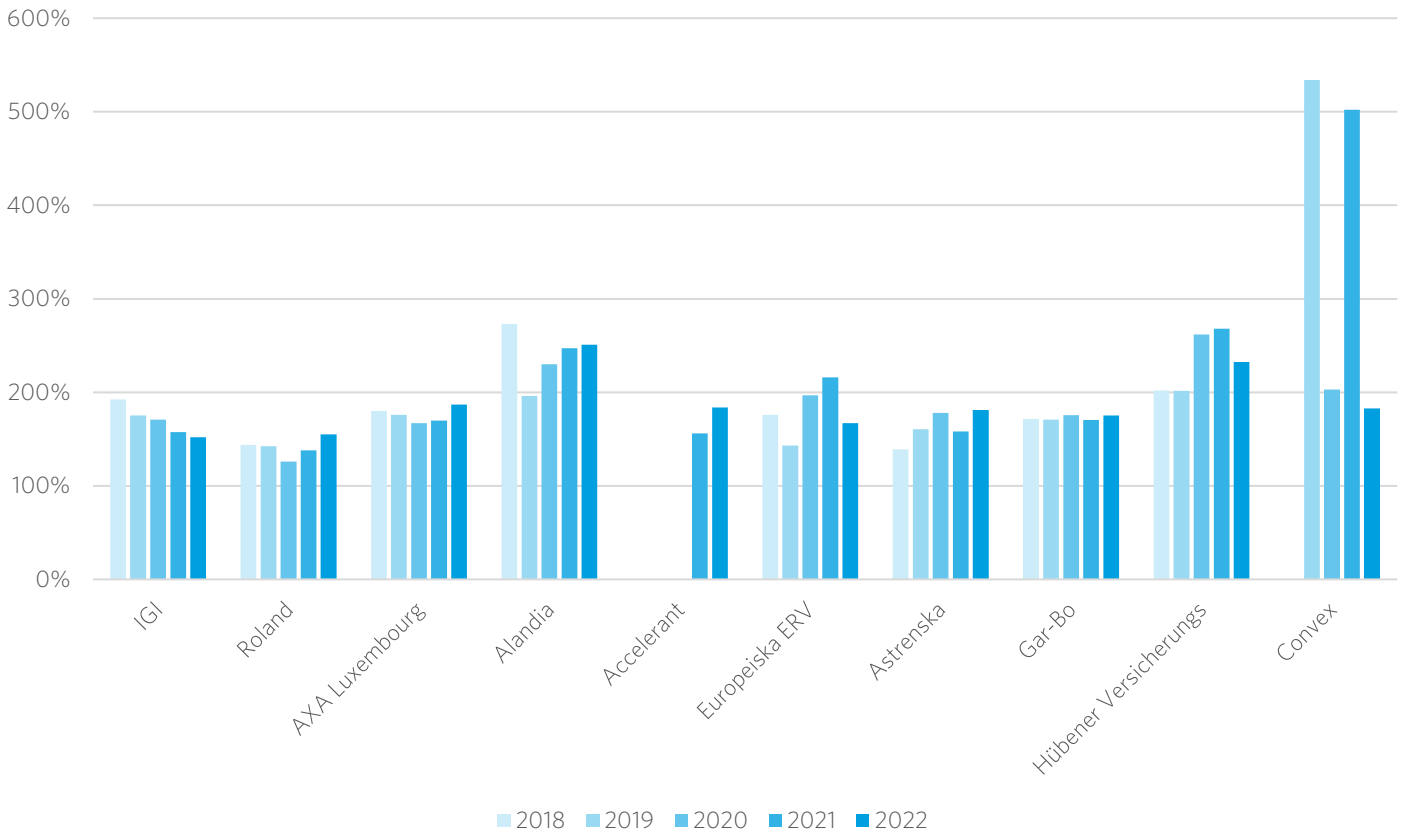
Loss ratio (Other/Niche insurers)



Expense ratio (Other/Niche insurers)

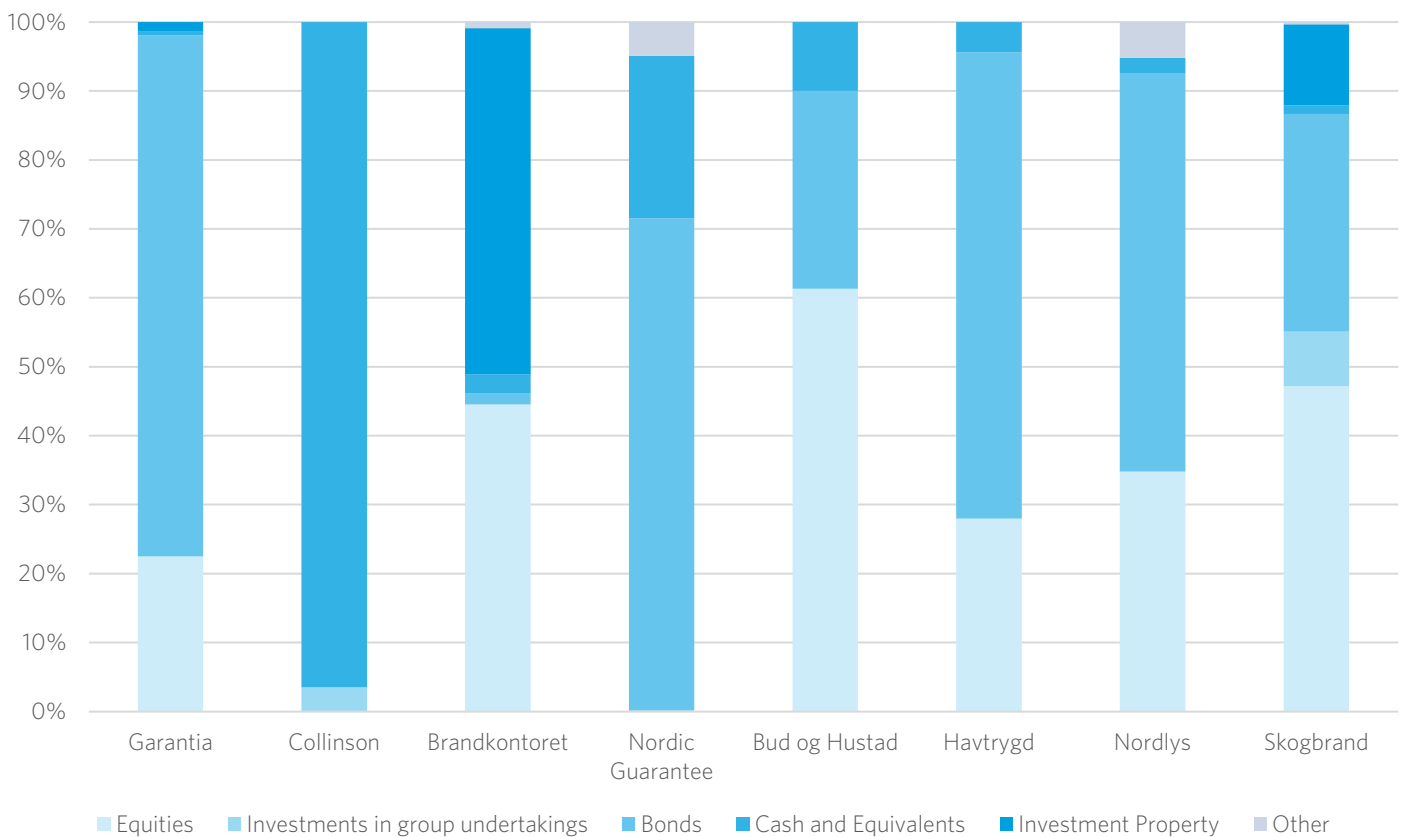
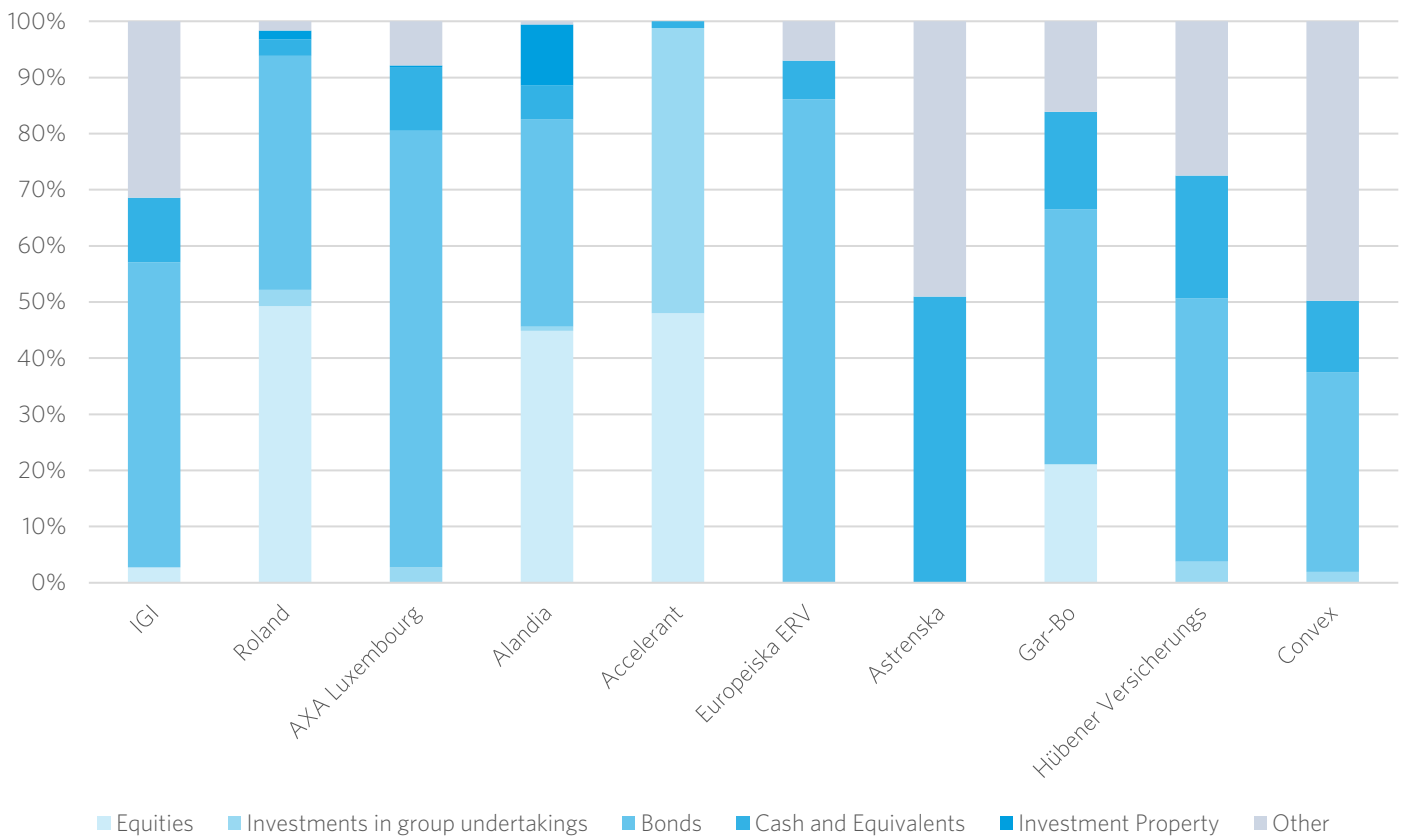


Solvency ratio* (Other/Niche insurers)

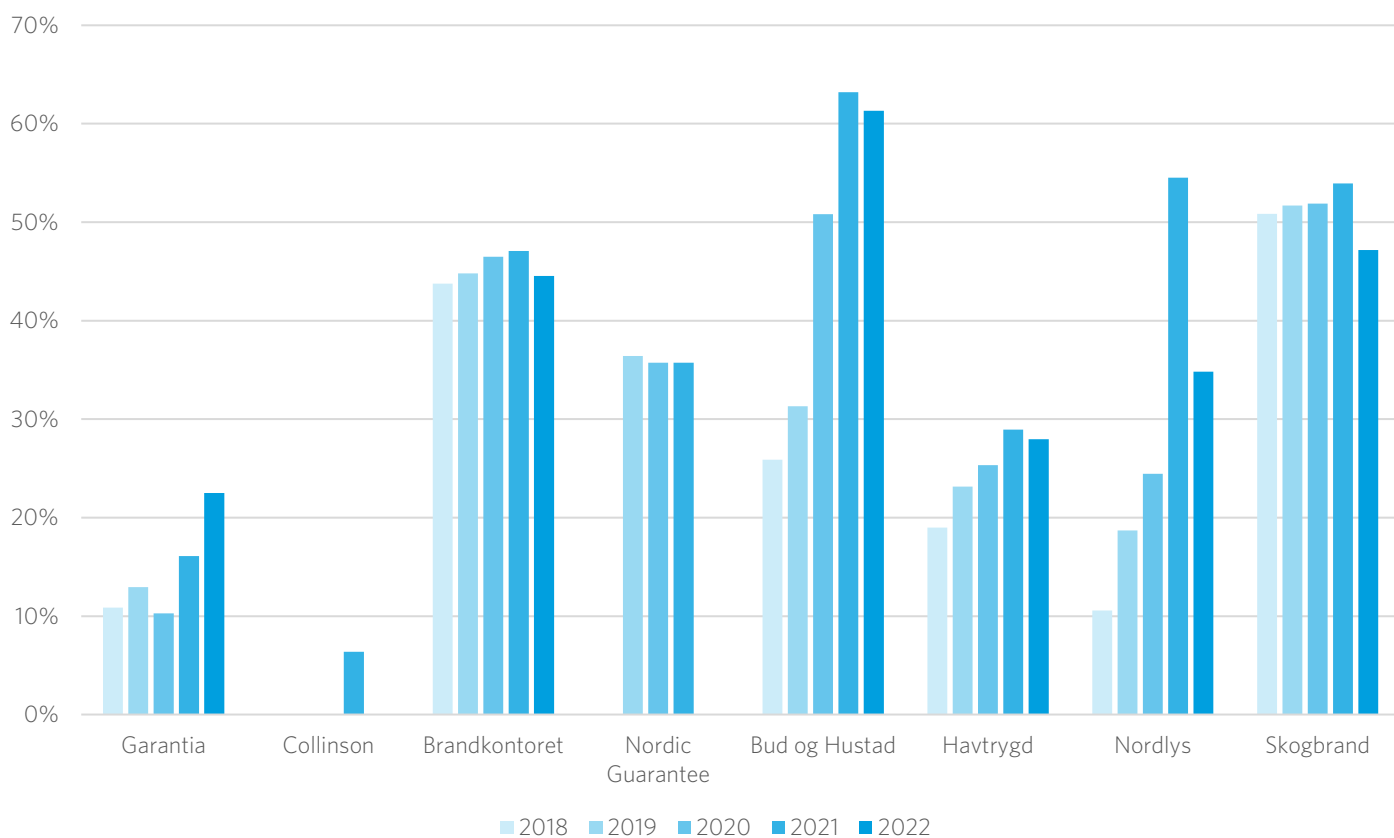
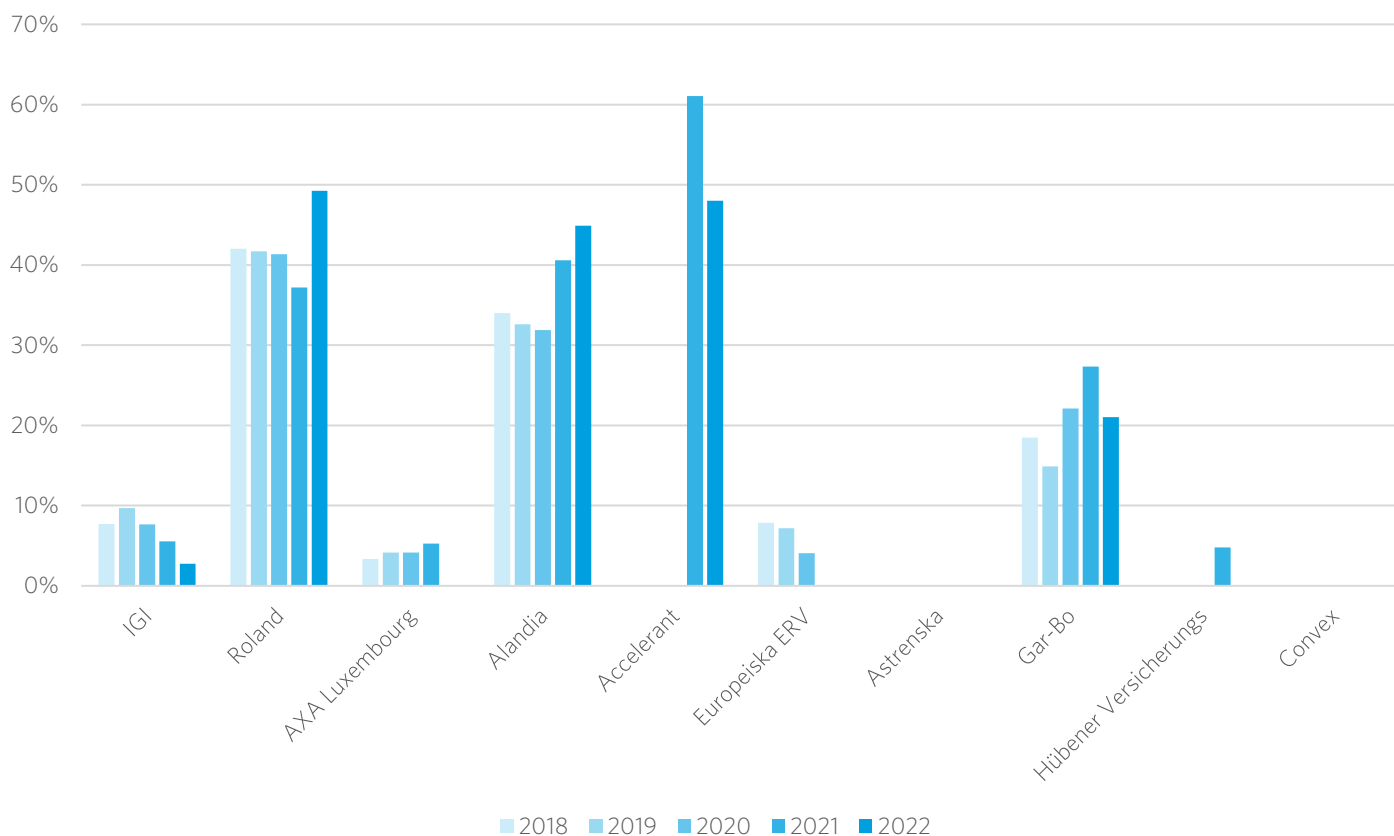


* Only including companies that report their solvency ratios under the Solvency II standard.

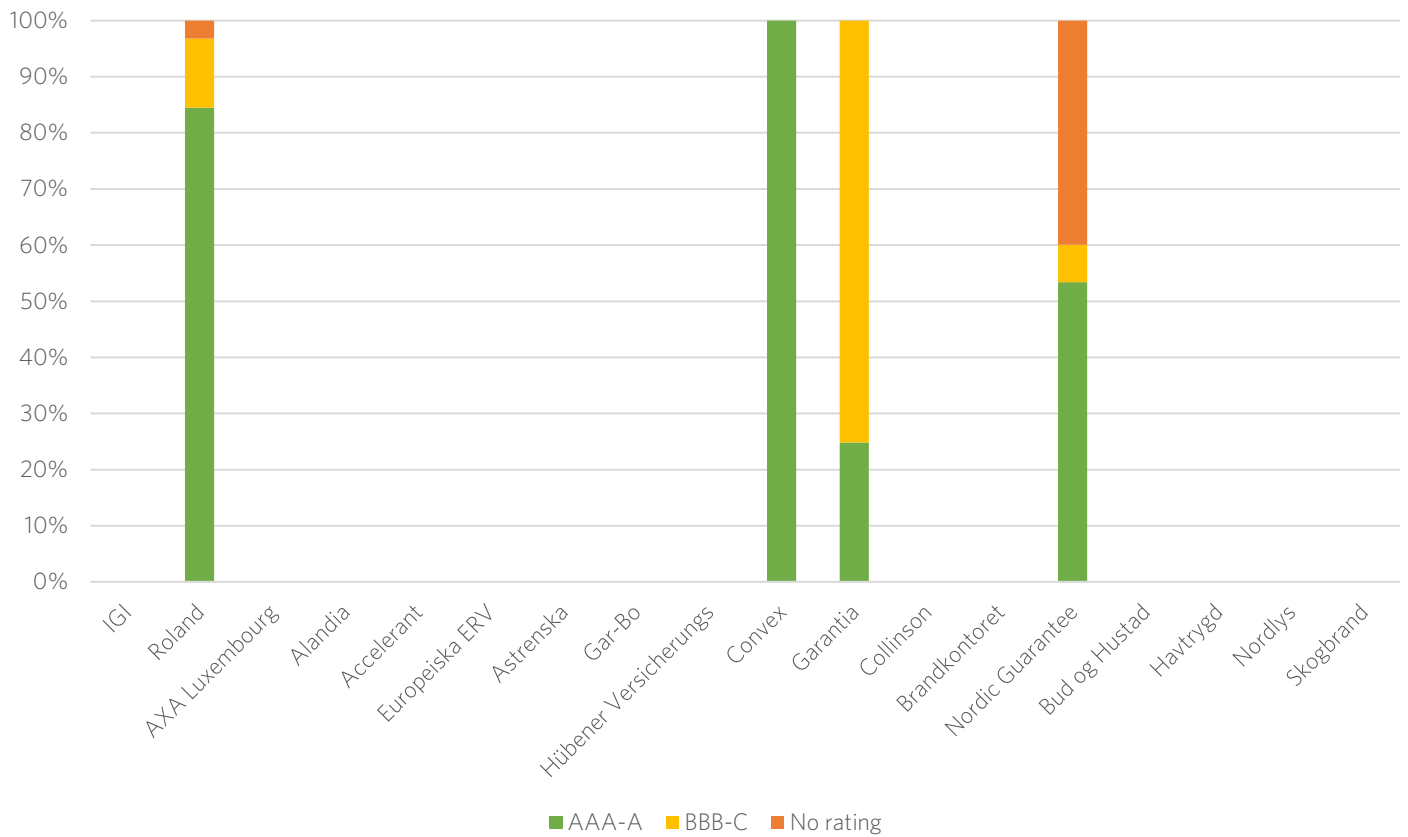
Financial asset composition (Other/Niche insurers, 2022)



Stocks as percent of financial assets (Other/Niche insurers)



Fixed income portfolio rating* (Other/Niche insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.

The background of the image is a blurred screenshot of a financial trading platform. It features a candlestick chart with blue bars and white outlines, set against a dark blue background. At the top, there are various interface elements including a currency pair 'GBPUSD M15', a bid price of '1.45053', an ask price of '1.4508', and a spread of '1.00'. Other visible text includes 'Bid', 'Ask', 'Auto', and 'Shift'. The overall aesthetic is professional and data-driven.

ANALYSIS OF FINANCIAL STRENGTH

Marine Insurers

Ratings

Marine insurer ratings

As of October 2023

Insurance company	Kort navn	Standard & Poor's	A.M. Best	Fitch	Moody's	Söderberg & Partners
American Steamship Owners Mutual P&I Association Inc	American Club	BBB-	-	-	-	-
American Hellenic Hull	American Hellenic	-	-	-	-	green
Britannia Steam Ship Insurance Assn. Europe	Britannia	A	-	-	-	-
Den Norske Krigsforsikring for Skib	DNK	-	-	-	-	green
Gard Marine & Energy Insurance (Europe) AS	Gard	A+	-	-	-	-
Japan Ship Owners' Mutual Protection & Indemnity Assn.	Japan Club	BBB	-	-	-	-
London Steam-Ship Owners Mutual Insurance Association Ltd	London Club	BBB	-	-	-	-
Murimar Seguros (Mutua de Riesgo Marítimo, Sociedad de Seguros a Prima Fija)	Murimar	-	B++	-	-	-
Norwegian Hull Club	NHC	A	-	-	-	-
NorthStandard Ltd (North of England P&I DAC)	NorthStandard	A	-	-	-	-
Samsung Fire & Marine Insurance Co. Ltd	Samsung	AA-	A++	-	-	-
Shipowners' Mutual Protection & Indemnity Association (Luxembourg)	Shipowners	A	-	-	-	-
Società Italiana Assicurazioni e Riassicurazioni SpA	SIAT	-	A-	A-	-	-
Assuranceforeningen Skuld (Gjensidig)	Skuld	A	-	-	-	-
Standard Club UK Ltd	Standard Club UK	A	-	-	-	-
Steamship Mutual Underwriting Association (Bermuda) Ltd	Steamship	A	-	-	-	-
Sveriges Angfartygs Assurans Forening (The Swedish Club)	The Swedish Club	BBB+	A-	-	-	-
Transmarine Co. Ltd	Transmarine	-	-	-	-	gray
Tromstrygd	Tromstrygd	-	-	-	-	green
Türk P ve I Sigorta A.S.	Türk P&I	-	-	B	-	-
United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Ltd	UK Club	A-	-	-	-	-
West of England Ship Owners Mutual Insurance Association (Luxembourg)	West of England	BBB+	A-	-	-	-

Related default rates

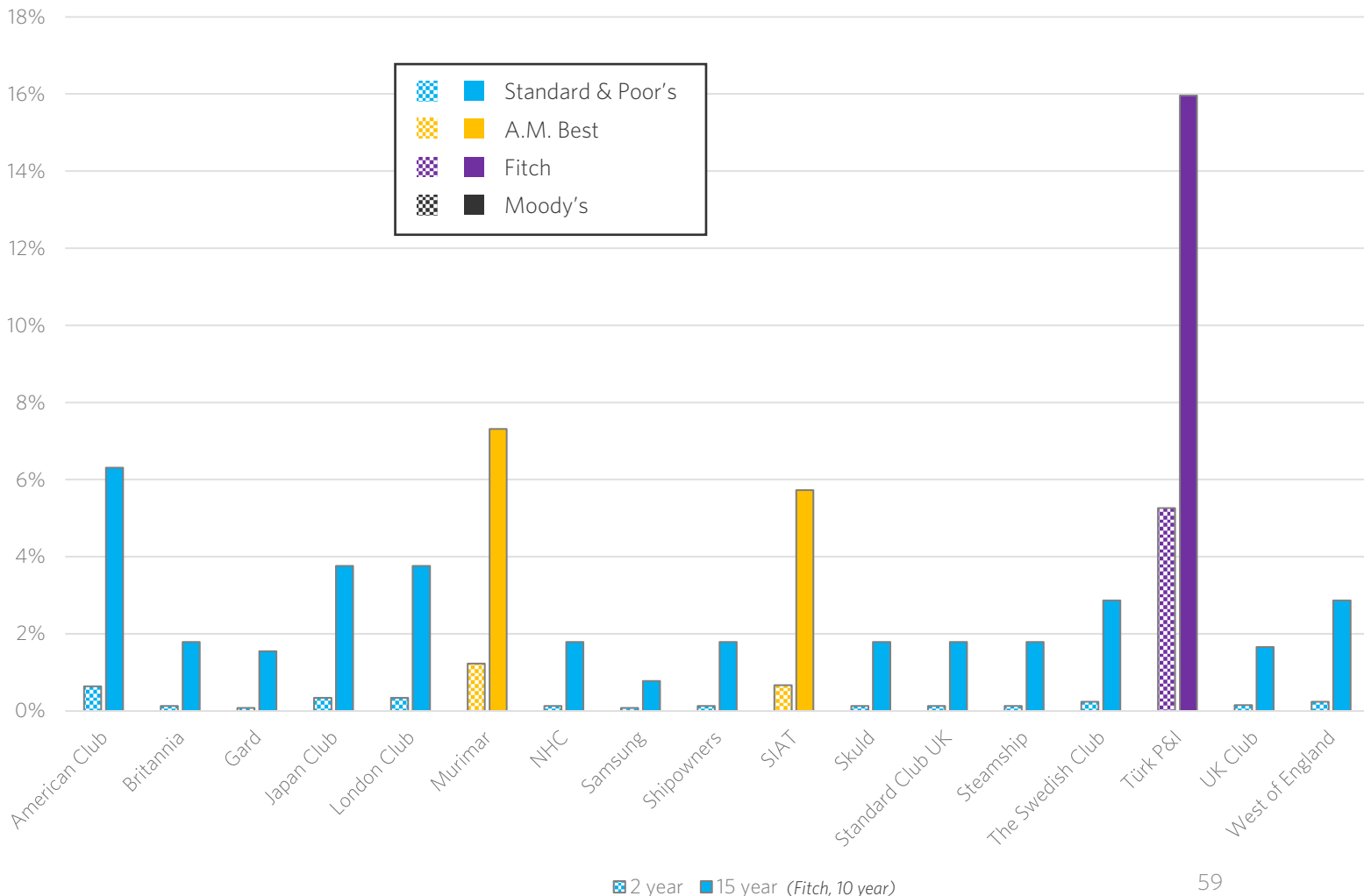
Financial strength ratings and default rates

The financial strength ratings provided by rating agencies are recognized parameters of credit quality in the insurance industry. Ratings may also impact debt covenants and reinsurance programmes that an insurance company is involved in. The higher the rating, the greater the assessed financial strength, which historically has been correlated with a lower risk of default or financial impairment.

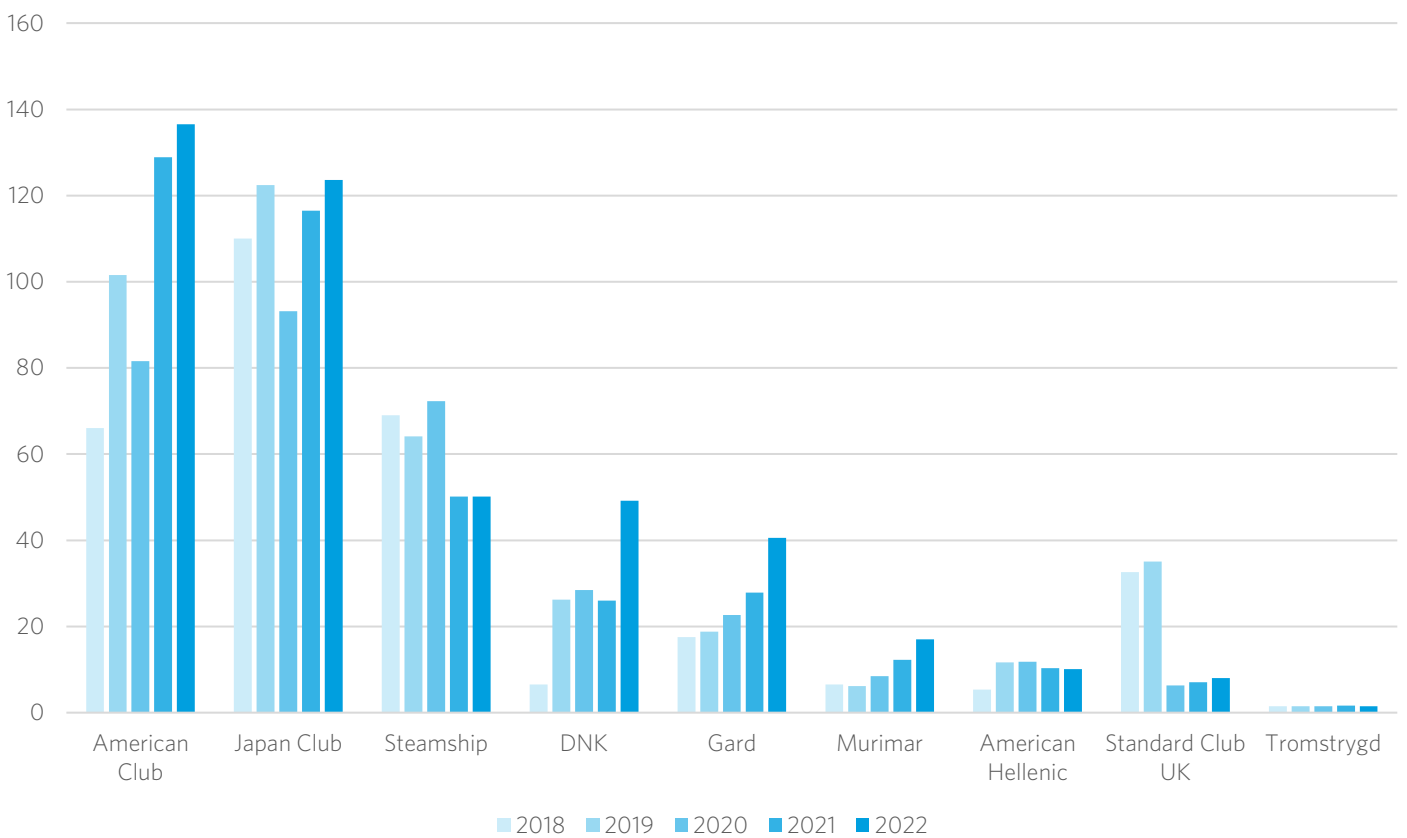
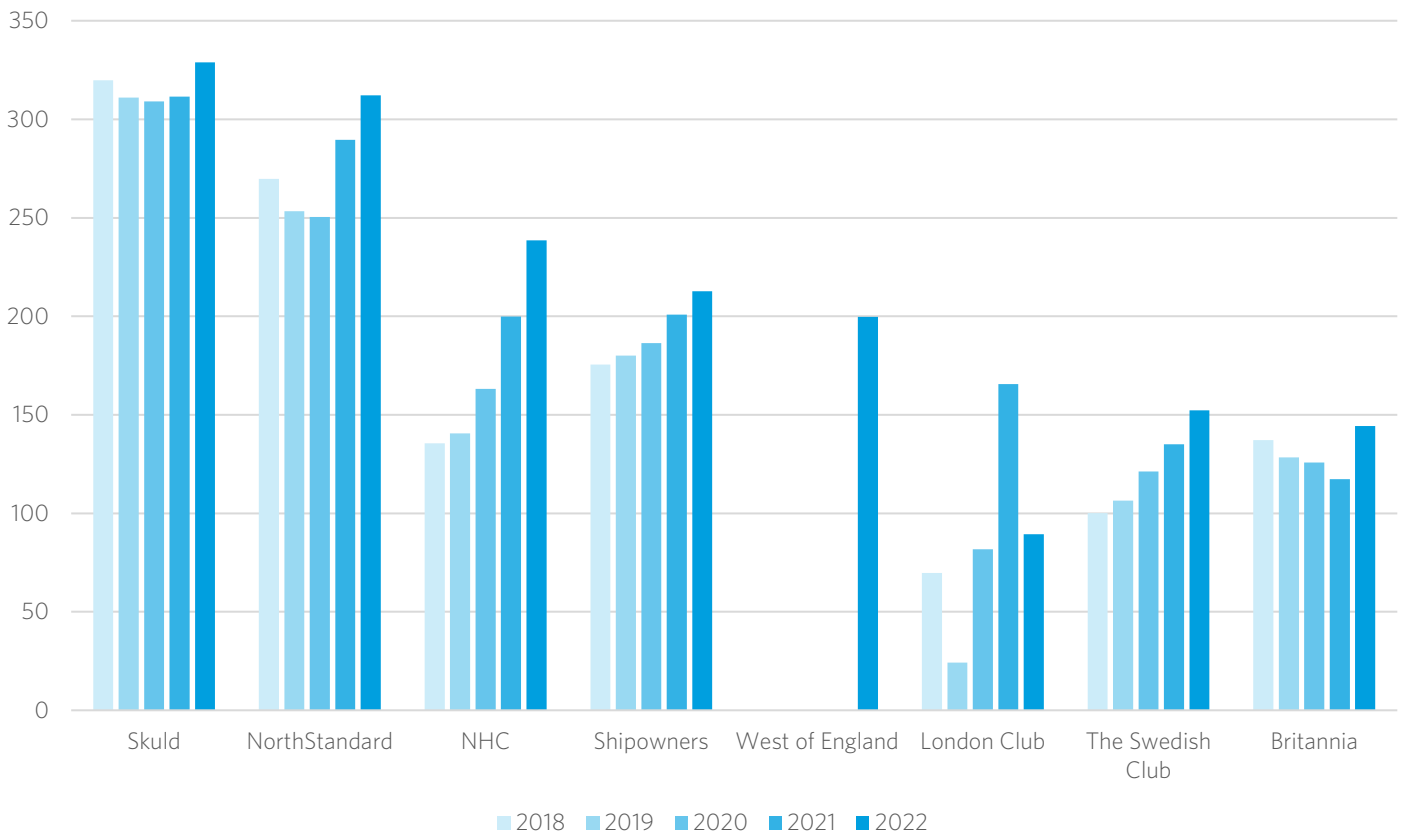
The observed two- and 15-year rates of default or financial impairment that correspond to the insurers' financial strength rating classes are presented in the graph below. Note that the default rates are estimated from studies carried out by the rating agencies themselves. Only insurers that are rated by a rating agency are included in the graph.

Historically observed rates of default or financial impairment

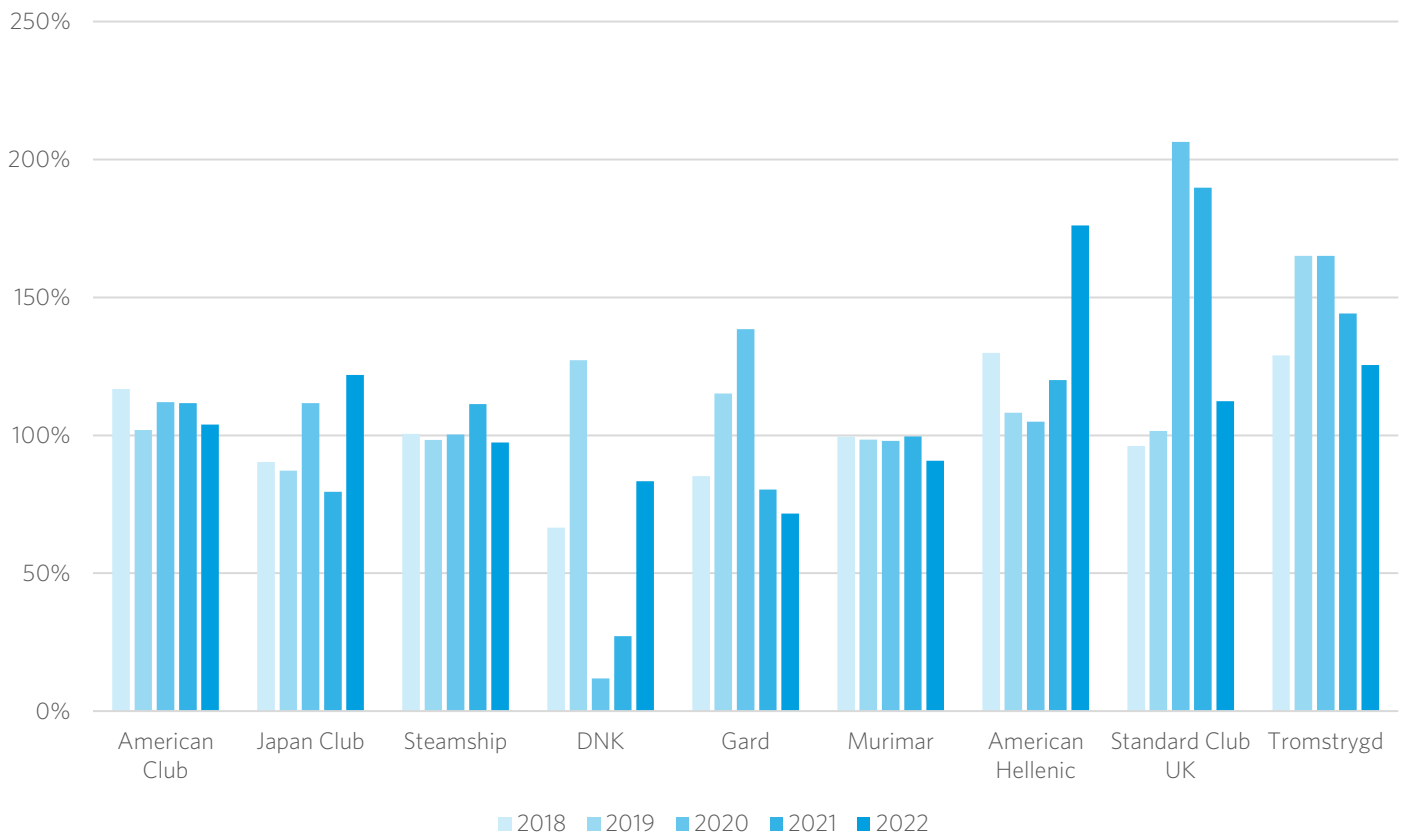
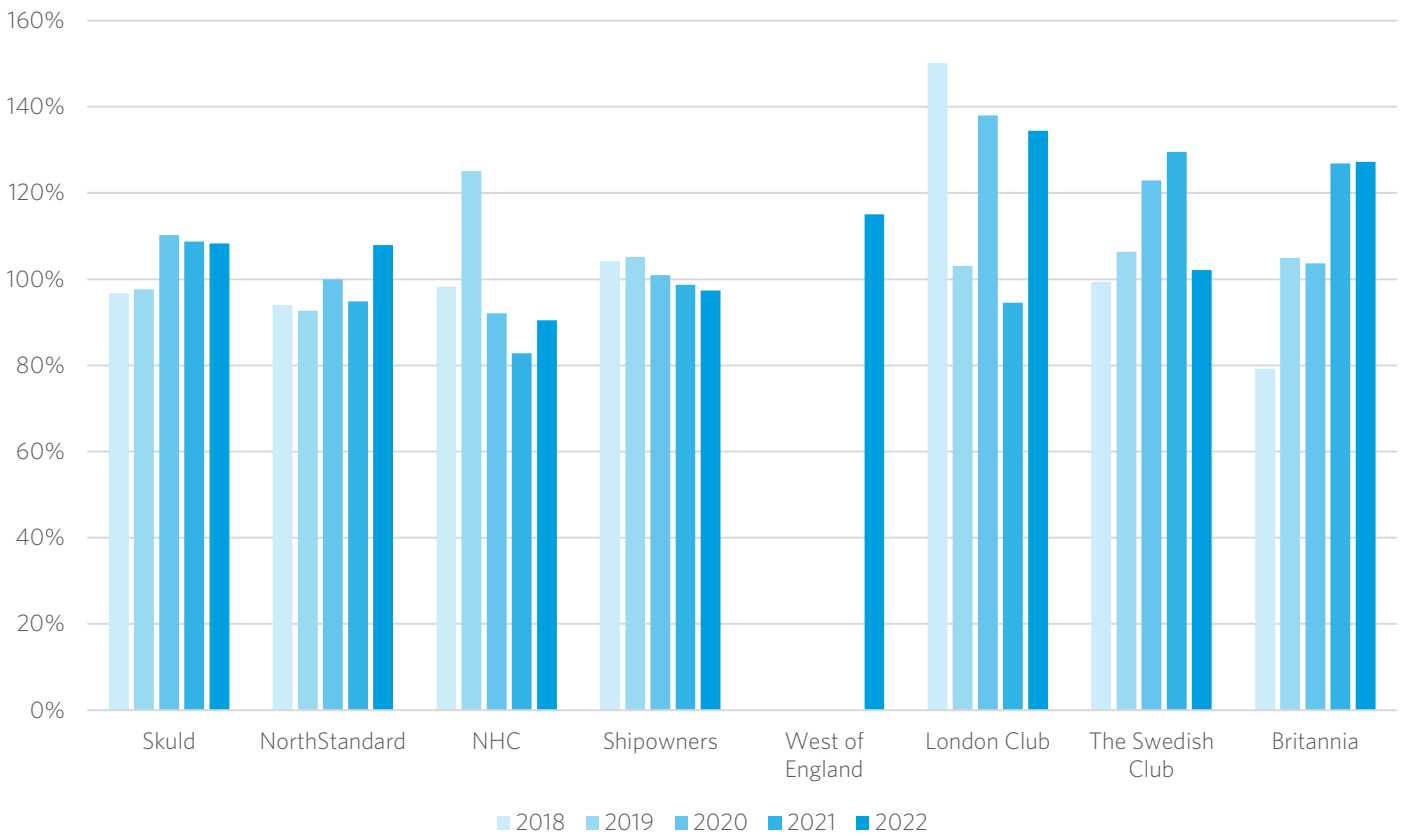
Marine insurers



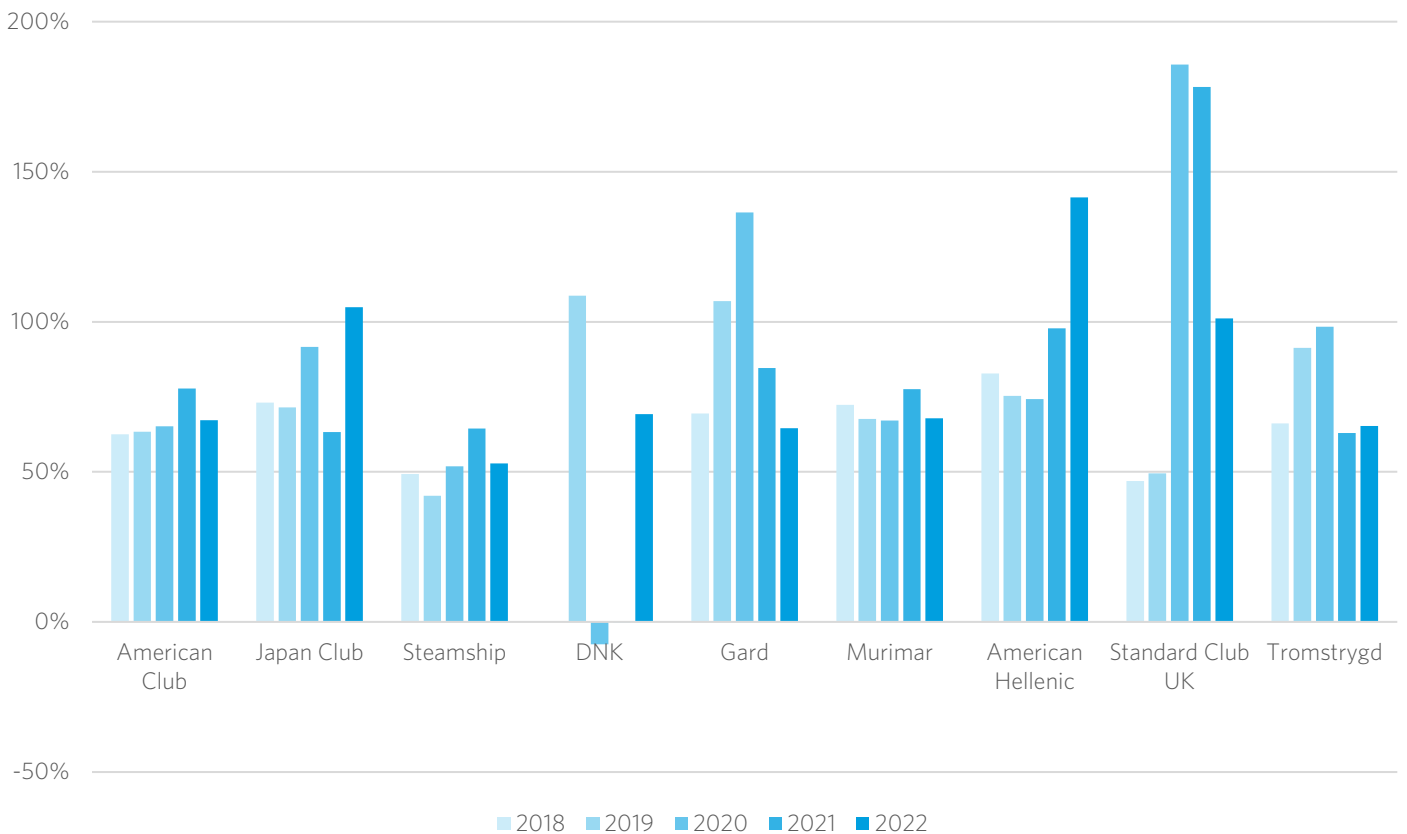
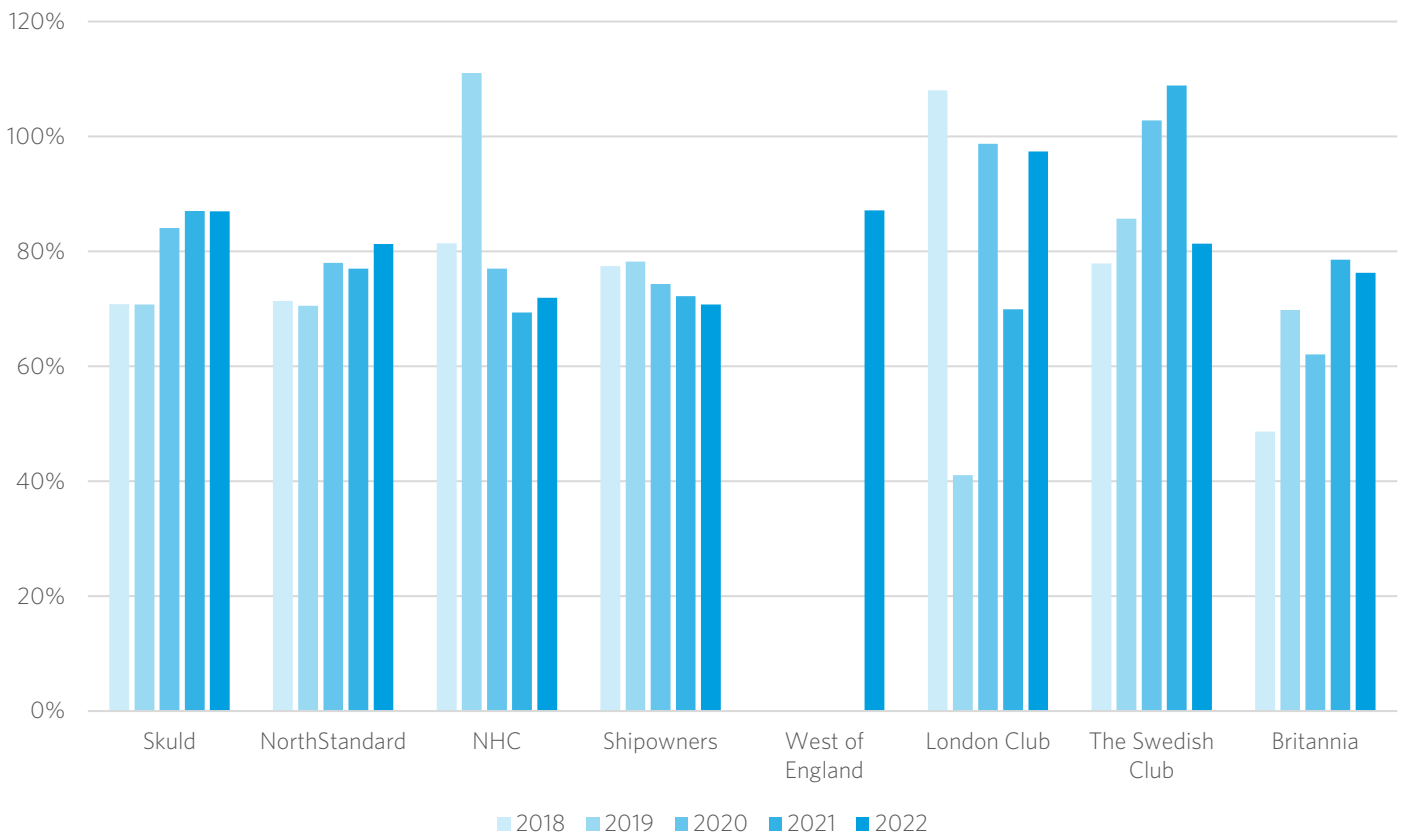
Premiums earned (Marine insurers, MEUR)



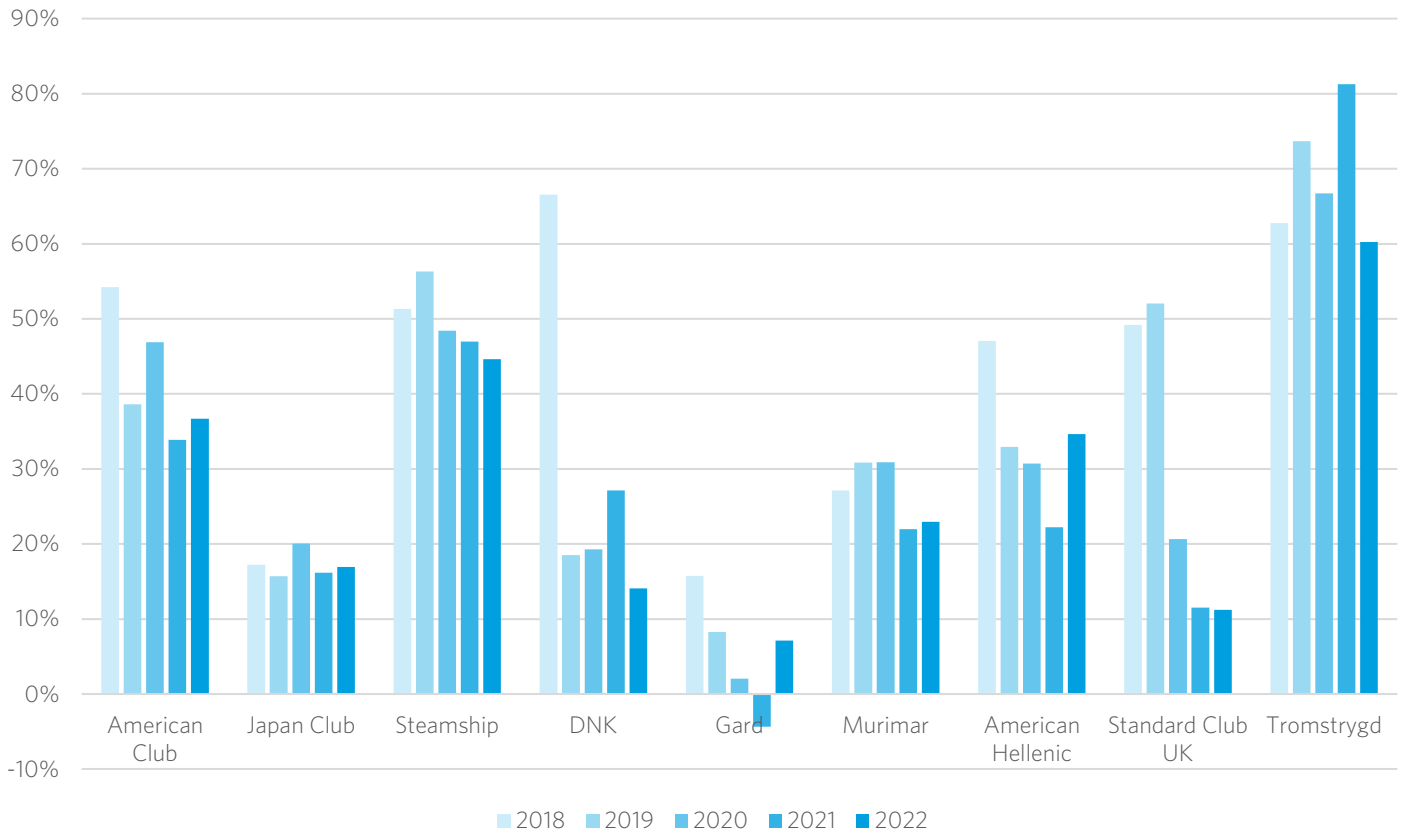
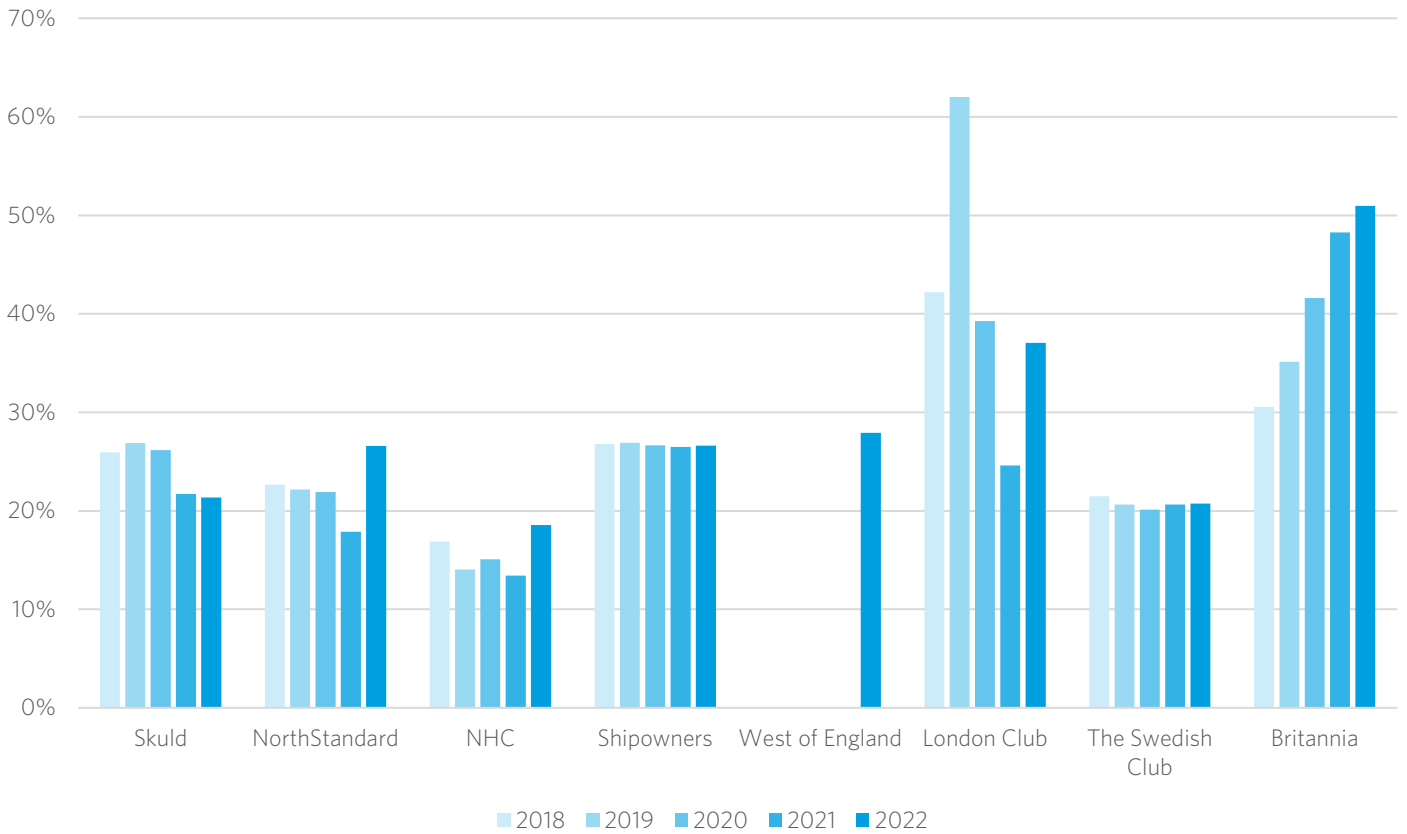
Combined ratio (Marine insurers)



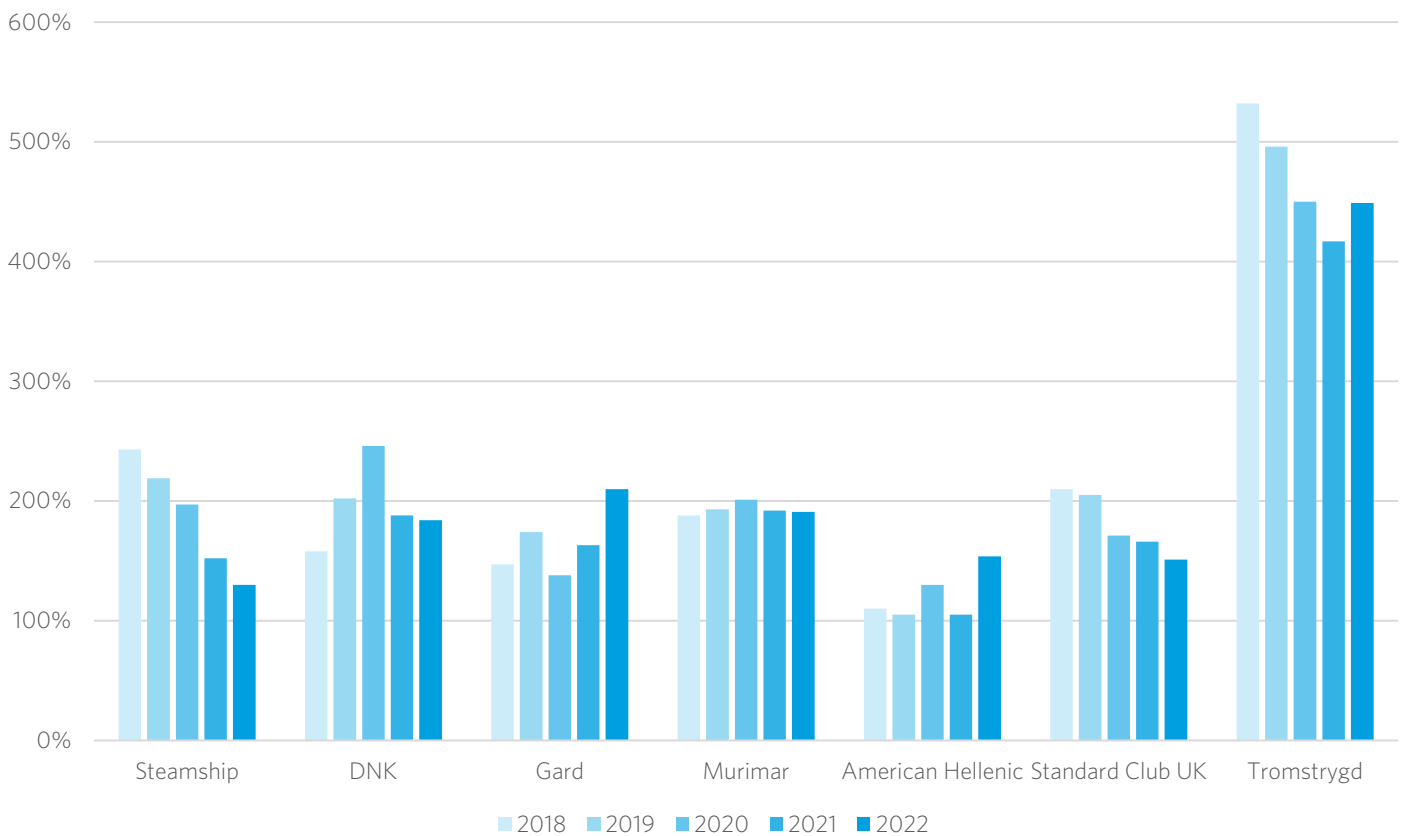
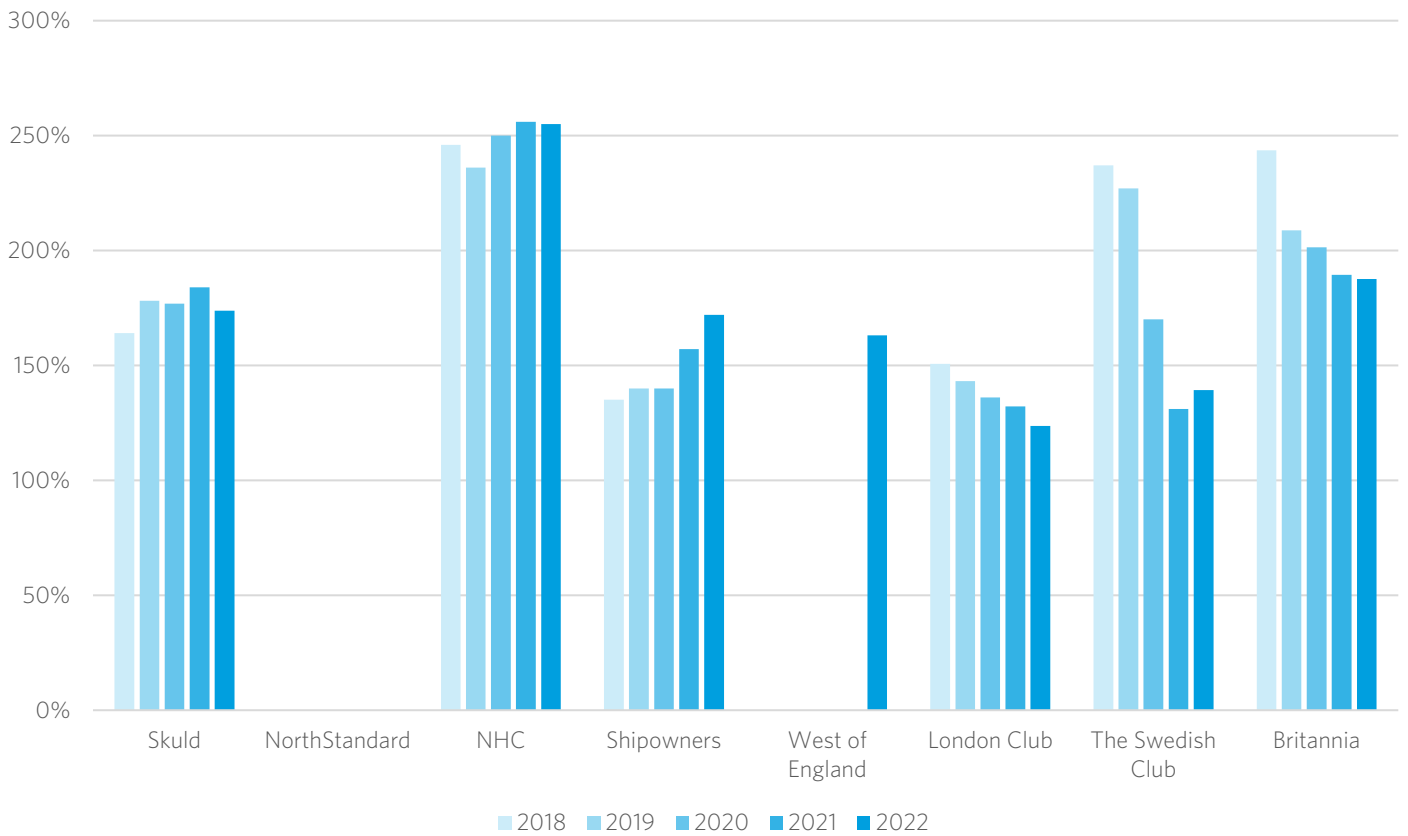
Loss ratio (Marine insurers)



Expense ratio (Marine insurers)

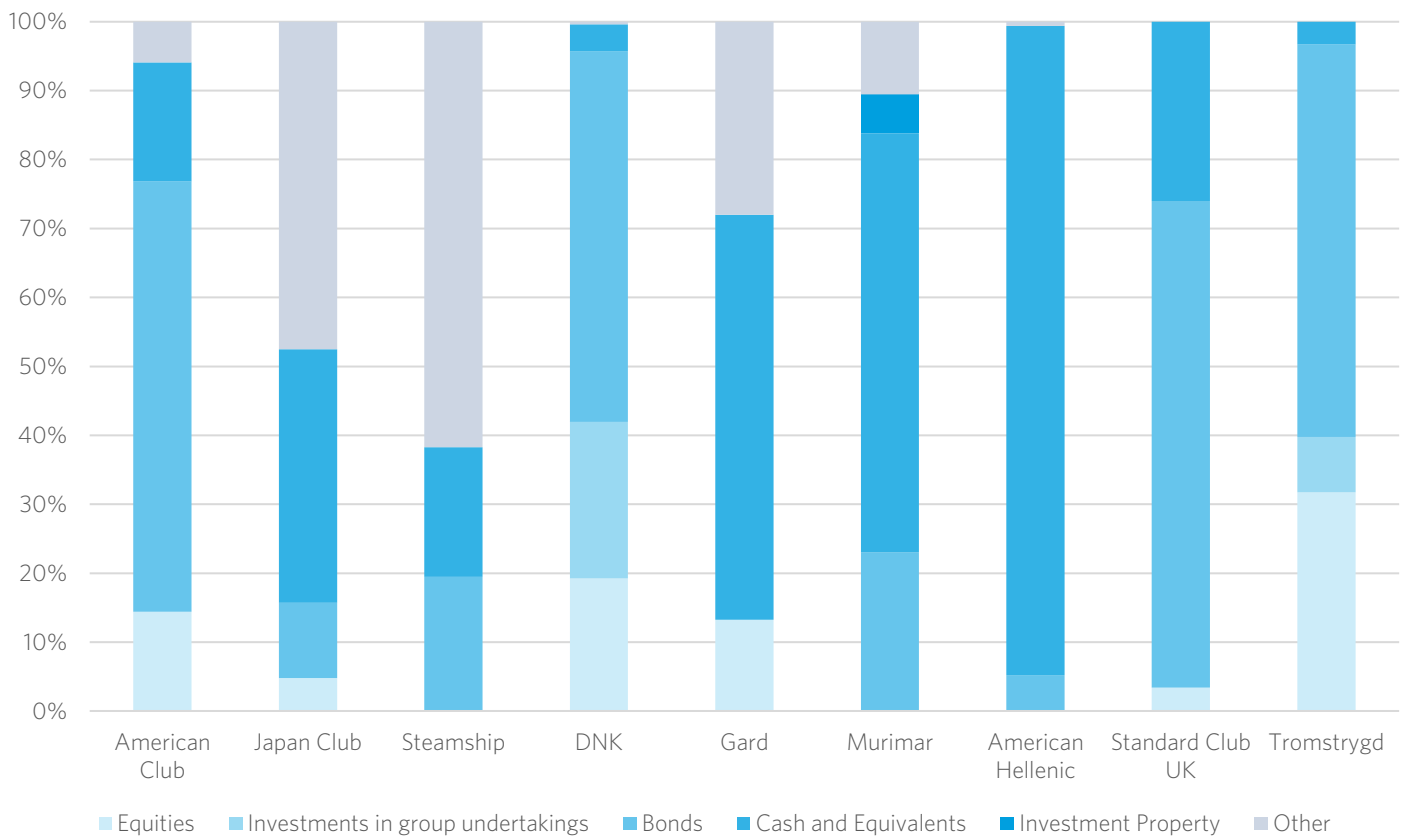
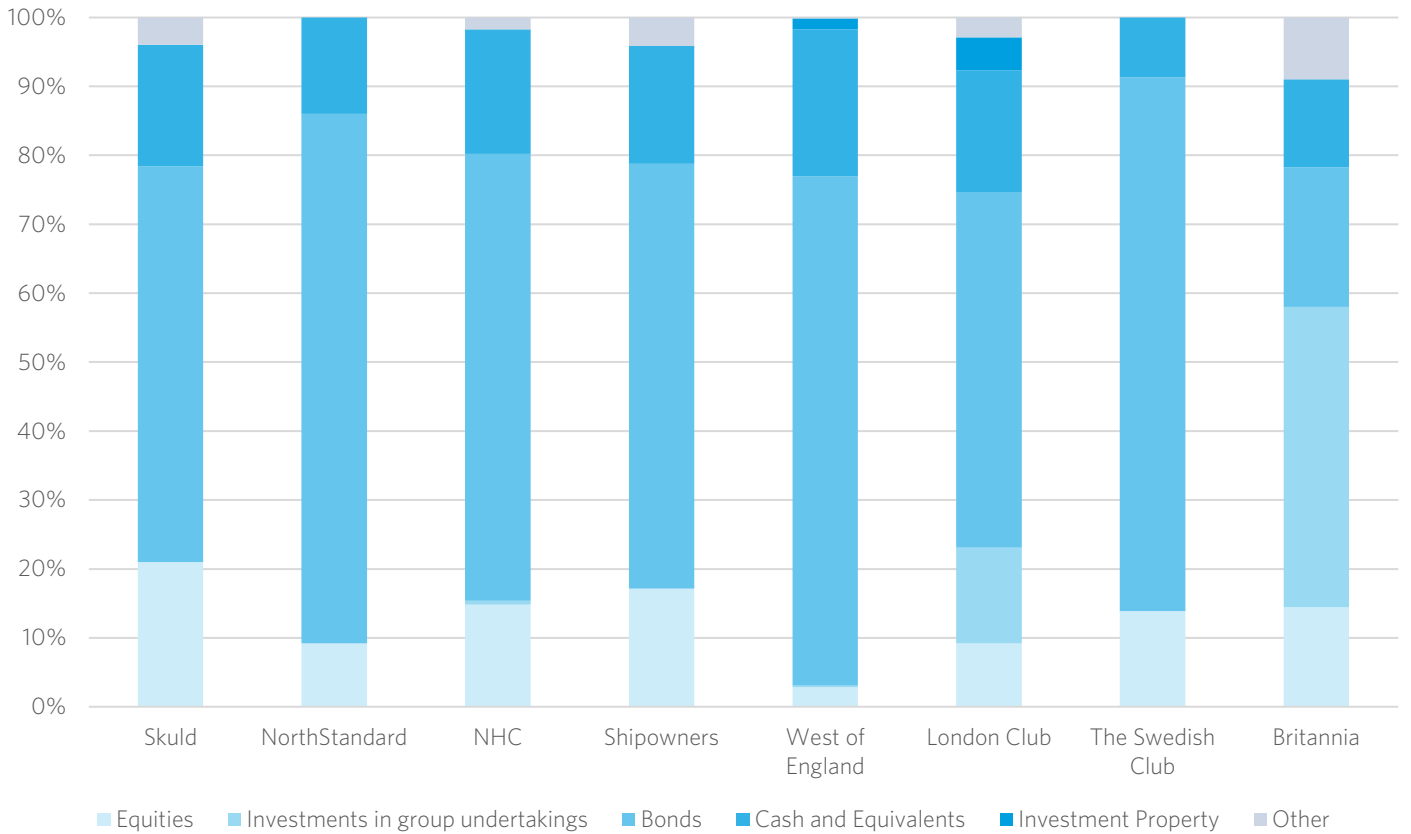


Solvency ratio* (Marine insurers)

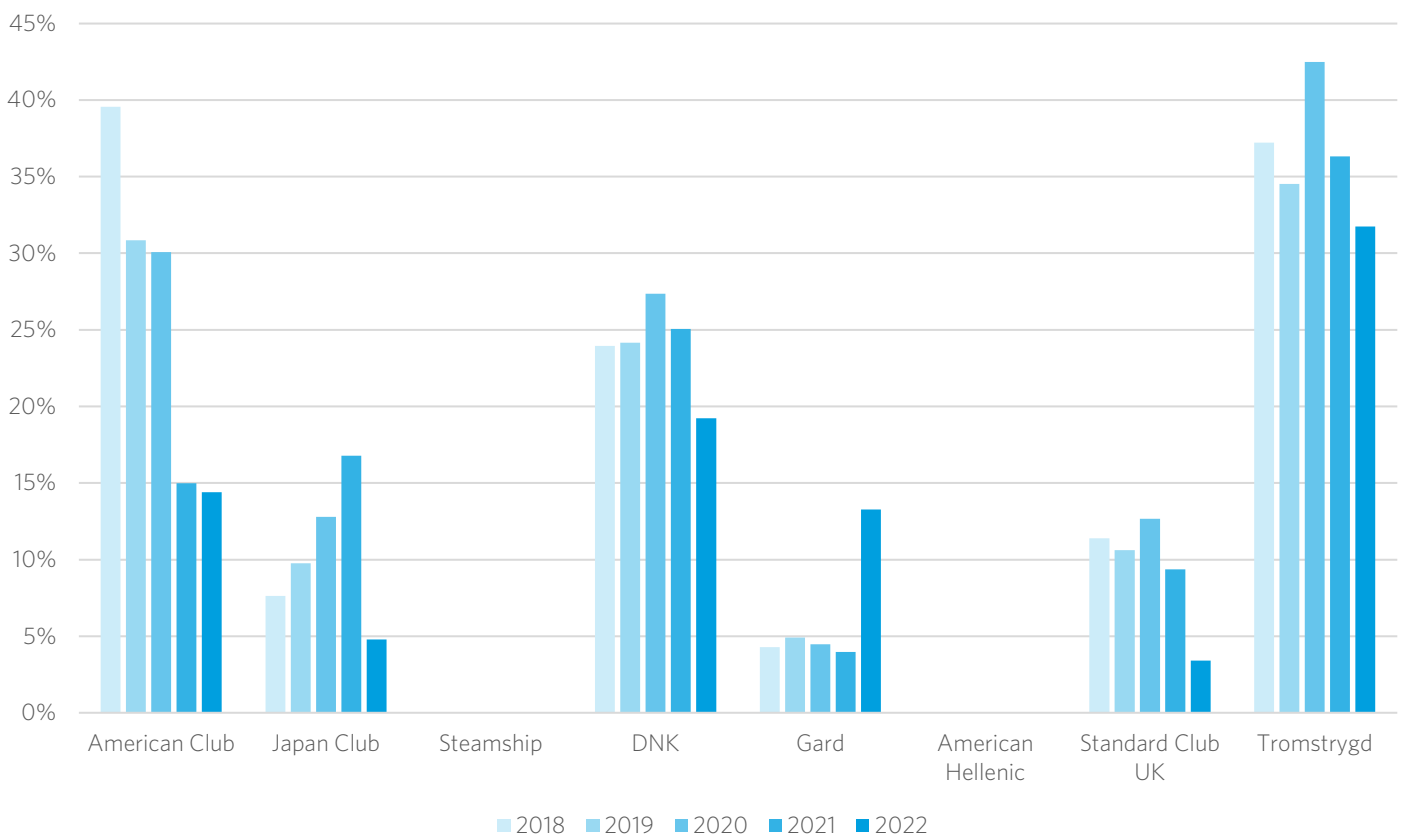
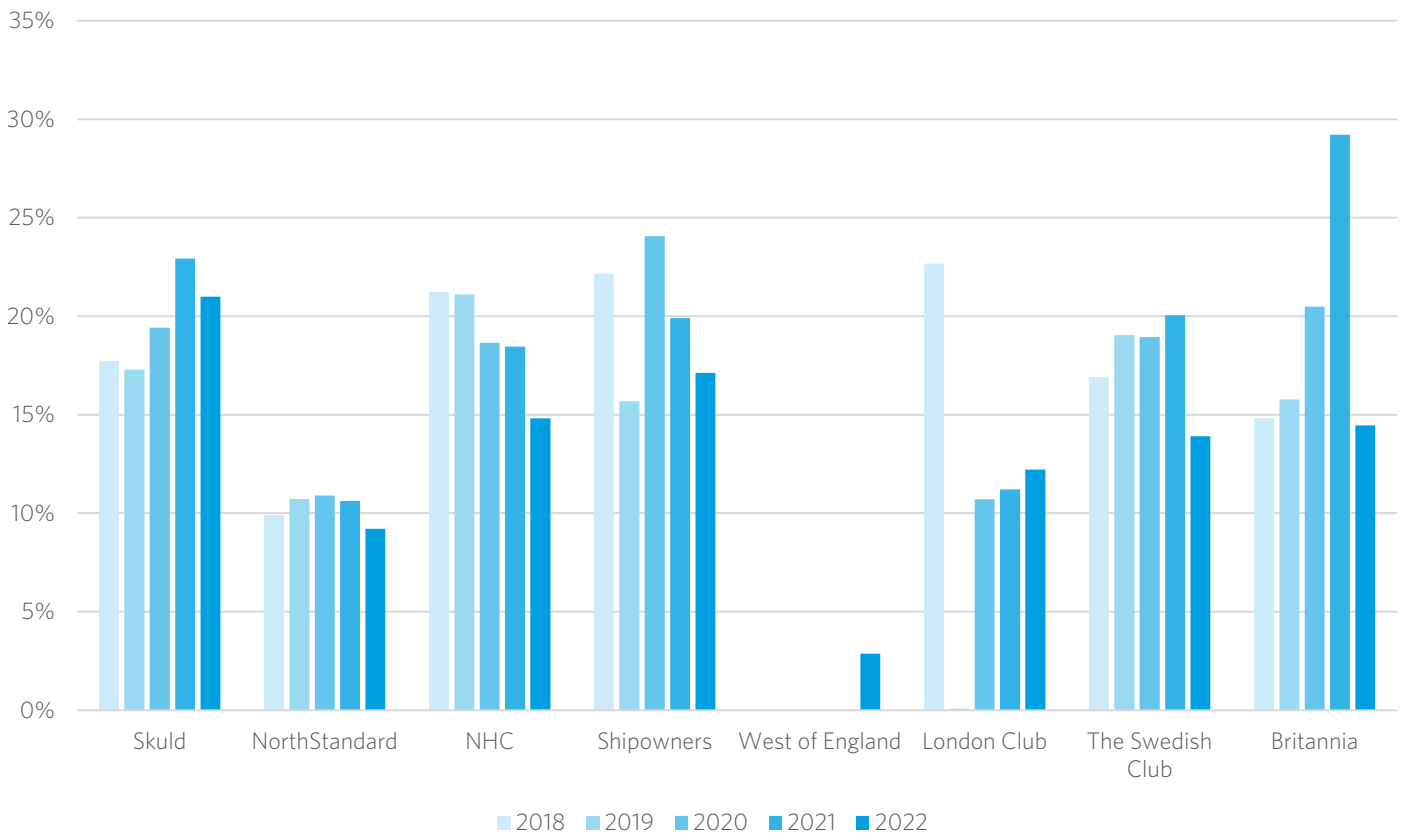


* Only including companies that report their solvency ratios under the Solvency II standard.

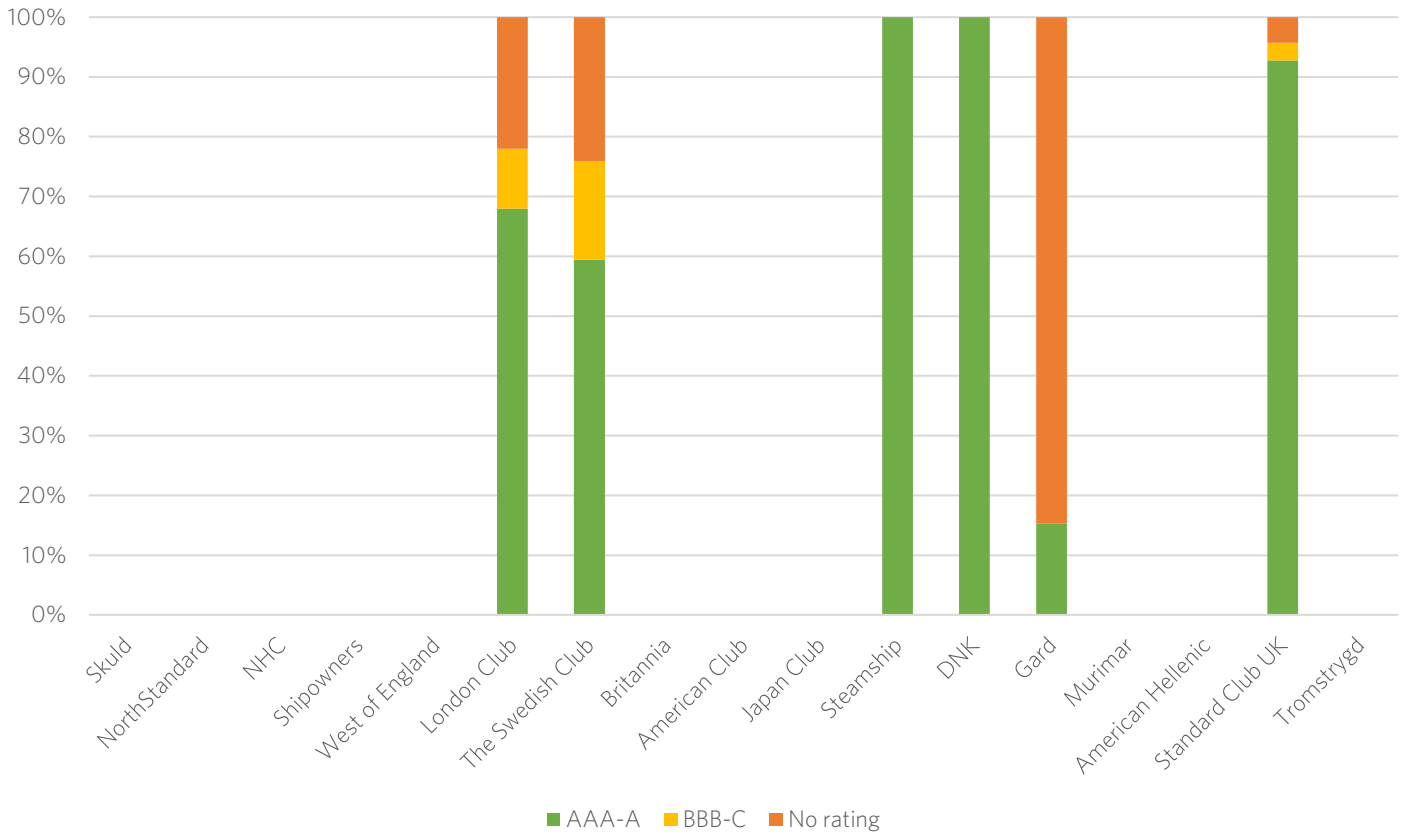
Financial asset composition (Marine insurers, 2022)



Stocks as percent of financial assets (Marine insurers)



Fixed income portfolio rating* (Marine insurers, 2022)



* Empty parts of this graph either indicate that the insurance company in question has not reported the ratings of its fixed income portfolio, or that it does not carry any fixed income financial assets.

Framework of analysis

Rating framework

This section details the rating framework applied in this analysis.



IFSR – Insurer Financial Strength Rating. The rating provided by one or several internationally recognized rating agencies, which also constitutes Söderberg & Partners' opinion on the financial strength of the insurer. Each rating is indicative of a certain level of default risk.



Green rating indicates that Söderberg & Partners considers the insurance company to have a very good financial strength and is considered fully able to meet its obligations to policyholders.



Gray rating indicates that Söderberg & Partners is unable to perform a conclusive analysis of the insurance company's financial strength at this point. As such, Söderberg & Partners cannot recommend clients to sign policies with the insurer.



Red rating indicates that the insurance company does not meet the criteria Söderberg & Partners has set for a green rating. As such, the insurance company is considered to not have the financial strength required for Söderberg & Partners to recommend the insurance company to clients. Söderberg & Partners advises clients against signing policies with the insurer.



This **marking** indicates that the rating is given with a negative outlook, which indicates a higher likelihood that it may be downgraded in the future.



An **arrow** next to a rating indicates that the rating has changed compared to the previous analysis. An upward pointing arrow indicates that the rating has improved while a downward pointing arrow indicates that the rating has deteriorated.

Comment about the evaluation of insurance companies

Information about financial strength ratings provided by external rating agencies are sourced from the respective rating agency on a quarterly basis, or when otherwise warranted.

Söderberg & Partners' ratings are based on the insurers' quarterly, half-year and annual financial disclosures. Financial disclosures have been supplemented by opinions of accounting firms and rating institutions, press releases and general market indicators where such have been available. Söderberg & Partners cannot guarantee the completeness and correctness of the sourced data.

Söderberg & Partners' ratings evaluate the insurers as stand-alone risk carriers, without regards to, for instance, reinsurance programmes, group commitments or other similar factors.

Parameters of analysis

Parameters of analysis

External rating

Most major insurance companies are regularly monitored by international credit institutions regarding creditworthiness and financial strength. The external rating gives not only an indication of the financial strength of the insurance companies, but also has major impact on loan terms and reinsurance programs. The external rating (where available) also represents Söderberg & Partners' assessment of the financial strength of an insurance company.

Premiums earned

In the insurance industry, size can be important because a large insurance company often has greater opportunities to manage and spread its risks, while smaller companies are often more exposed to sudden and adverse events.

One way to compare the size of the insurance companies is to look at the total premium income for own account. The concept of "for own account" (f.o.a.) means that the premiums are adjusted for the part that any reinsurance party has taken for its obligations.

Solvency ratio

Solvency is key to financial strength. This report evaluates the solvency of an insurance company based on the solvency ratio. The solvency ratio puts the available capital (the capital base) in relation to the risks the company faces, mainly the technical provisions (the capital requirement). If the capital base exceeds the capital requirement, the insurance company is said to be creditworthy. Thus, the company is expected to be able to fulfill all its financial commitments. Holding assets that cover the technical provisions is a requirement for a company to carry on insurance business.

It is a regulatory requirement for an insurance company to comply with established solvency regulations. The current

application of solvency legislation in the EU/EES area is the Solvency II regulation, which came into effect on 1 January 2016.

In this analysis, the solvency ratio is reported according to the Solvency II regulation for the insurance companies that report according to that legislation. For other insurance companies, Söderberg & Partners' calculation of solvency ratio is used.

Combined ratio

The costs of a non-life insurance company can mainly be divided into two parts: claims costs and operating costs. Two common ways to express these costs are to put them in relation to premium income (the so-called claims (loss) ratio and expense ratio.)

A high claims (loss) ratio indicates high claims costs in comparison to premium income, which can have negative consequences both in the short and long term. A high expense ratio means that administration and other costs associated with running the business are high vis-à-vis premiums taken in and can in the long term indicate efficiency problems or an unhealthy organizational structure. The combined ratio is the sum of the claims (loss) ratio and the expense ratio.

The combined ratio shows whether the insurance company's underlying insurance business is profitable. A total of less than 100 percent means that the insurance business is profitable. A total that exceeds 100 percent means that the insurance business is unprofitable

Financial/Investment risk

To be able to offer attractive premiums and to generate higher profits, many insurance companies invest in the financial markets. By studying how the companies invest their assets, conclusions can be drawn regarding the exposure to financial risk.

The main reason for the financial risk of an insurance company is investments in the stock markets and in exotic financial products. A high exposure to the stock market increases the risk that the insurance company's financial assets will be adversely affected by sudden and large movements in its stock market portfolio. The price of shares does not follow a predetermined path, but can, for some inexplicable reason, quickly rise or fall.

Most insurance companies invest a large part of their investment capital in bonds, as it is considered safer than, for example, shares. It is valuable to know the credit ratings of the issuers of the bonds in the insurance companies' investment portfolios. The credit ratings indicate how financially strong the counterparty that issued the bond is and thus how well it is expected to be able to fulfill its obligations to those who bought the bond.

Financial terms definitions

The definitions of financial terms may differ between the insurance companies themselves and from the ones used in this report. To facilitate comparability and understanding, this section specifies the definitions of key financial terms and calculations used by Söderberg & Partners.

GENERAL INSURANCE Includes non-life insurance lines such as property insurance, casualty insurance and liability insurance.

GROSS PREMIUMS EARNED The gross premiums attributable to the current period.

GROSS PREMIUMS WRITTEN The amount of premiums the insurance company has collected or taken into account for the period.

NET PREMIUMS WRITTEN Defined as gross premiums written less any reinsurance premiums paid.

NET PREMIUMS EARNED The net premiums attributable to the current period.

EXPENSES Costs related to sales or administration of insurance contracts during the period.

EXPENSE RATIO (net) The ratio of net insurance operating expenses to net premiums earned.

LOSSES The sum of claims costs during the period.

LOSS RATIO (net) The ratio of net claims losses to net premiums earned.

COMBINED RATIO (net) The sum of the net expense ratio and the net loss ratio.

CREDIT RISK The risk that a counterpart in a financial transaction does not fulfil its commitments in terms of what has been agreed.

FINANCIAL ASSETS Assets that are invested in financial instruments such as stocks, bonds, investment real estate and unconsolidated company holdings. Cash and cash equivalents are also included.

CAPITAL BASE Defined as the sum of equity, untaxed reserves, debentures, deferred tax and profit or loss on interest rate securities, less intangible assets.

TECHNICAL PROVISIONS Reserves for unpaid losses, unpaid loss expenses and unearned premiums. The amount is recorded net of any reinsurance.

SOLVENCY RATIO Broadly defined as the ratio of the capital base to the technical provisions (insurance-related liabilities). This analysis presents solvency ratios according to Solvency II where such are available (own funds to SCR). Otherwise, the solvency ratio is estimated by Söderberg & Partners as the ratio of the capital base to technical provisions, as defined above.

SOLVENCY CAPITAL REQUIREMENT The minimum capital required for insurance operations from a regulatory perspective. Under Solvency II the required capital is estimated using quantitative models. A minimum level is often enforced by regulators. This is usually defined as a solvency ratio of 100%.

INVESTMENT GRADE Classification of bonds with a credit rating of BBB or higher.

HIGH-YIELD Classification of bonds with a credit rating of BB or lower.



Important information

This rating report is produced by Söderberg & Partners Insurance Consulting AB (Söderberg & Partners). Söderberg & Partners is placed under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen).

The purpose of the rating report is to provide general information and the rating report must not be read in the context of exclusively providing any advice nor should it be used as a stand-alone basis for a decision. Clients are advised to seek professional assistance regarding the feasibility to obtain insurance cover from the insurance companies included in this rating report. The content is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. Söderberg & Partners does not act as a fiduciary or an investment advisor except where registered as such.

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