

FOR IMMEDIATE RELEASE

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AM Best Affirms Credit Ratings of UnipolRe Designated Activity Company

AMSTERDAM, 10 November 2022—AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of "a-" (Excellent) of UnipolRe Designated Activity Company (UnipolRe) (Ireland). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect UnipolRe's balance sheet strength, which AM Best assesses as very strong, as well as its marginal operating performance, limited business profile and appropriate enterprise risk management.

The ratings also consider, in the form of rating lift, AM Best's expectation that UnipolRe's parent company, UnipolSai Assicurazioni S.p.A. (UnipolSai) will provide financial support to UnipolRe if needed.

UnipolRe's balance sheet strength is underpinned by its risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR). The company's risk-adjusted capitalisation is supported by a low level of underwriting leverage and a conservatively invested asset portfolio. AM Best expects the company's risk-adjusted capitalisation to remain comfortably at the strongest level over the medium term, supported by capital injections from UnipolSai when required.

UnipolRe's operating performance has been below expectations in recent years, with the company's five-year weighted average return-on-equity ratio (ROE) at -2.4% (2017-2021). The company reported a loss of EUR 48.7 million in 2021 and had a combined ratio of 128%, as calculated by AM Best. Operating performance is

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expected to remain negative in 2022, driven by unrealised investment losses reported through other comprehensive income.

The company reported gross written premium (GWP) of EUR 255 million in 2021, representing a 22% increase from 2020. UnipolRe's GWP is expected to decrease in 2022, as the company has ceased underwriting non-proportional property treaties exposed to natural perils in late 2021. Although there is some geographic diversification, the company's portfolio is concentrated somewhat by line of business, with motor business representing approximately 69% of premiums in 2021.

UnipolRe seeks to differentiate itself by developing close partnerships with its cedants and assisting them with product development and pricing. It benefits from the experience and expertise of its parent, UnipolSai, in the motor sector, and its association with that brand enhances its business profile. The group, Unipol Gruppo S.p.A., operates predominantly within Italy, where it has leading positions in non-life and life insurance markets.

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 [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

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