

AM Best Information Services

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Best's News & Research Service - November 18, 2021 11:48 AM (EST)

AM Best Affirms Credit Ratings of UnipolRe Designated Activity Company

November 18, 2021 11:48 AM (EST)



Amsterdam //BestWire// - **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 adequate operating performance, limited business profile and appropriate enterprise risk management.

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). 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 its parent company, UnipolSai Assicurazioni S.p.A., when required.

UnipolRe reported a profit of EUR 7.9 million in 2020 and had a combined ratio of 100.1%, as calculated by AM Best. In recent years, the company's operating performance has been modest, with underwriting losses being offset by positive investment returns. However, the company reported a significant net loss of EUR 48.4 million, for the first nine months of 2021, driven by catastrophe events. UnipolSai is expected to provide capital support to UnipolRe to offset the impact of the loss on its solvency position. AM Best expects underwriting results to improve in 2022, helped by premium rate increases.

The company reported gross written premium (GWP) of EUR 208 million in 2020, representing a 21% decline compared with 2019, and followed a period of high growth. GWP is expected to decrease in 2022, as the company will cease to underwrite non-proportional property treaties exposed to natural perils. Although there is some geographic diversification, the portfolio is concentrated somewhat by line of business, with motor business representing approximately 66% of premiums in 2020.

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 Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

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Best's Credit Rating Action

Press Release

Ireland

Financial Strength

Insurance

Issuer Credit Rating

Related Companies

AMB#	Company Name
086685	Unipol Gruppo S.p.A.

086684	Unipol Gruppo S.p.A.
073263	UnipolRe Designated Activity Company
085194	UnipolSai Assicurazioni S.p.A.

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Jul 23, 2021 09:57 AM (EDT)

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Dec 03, 2020 02:49 PM (EST)

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Oct 30, 2020 01:08 PM (EDT)

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