

Criteria For Rating Insurers Published

July 1, 2019

LONDON (S&P Global Ratings) July 1, 2019--S&P Global Ratings today published its global framework for rating insurance companies, titled "Insurers Rating Methodology."

The criteria follow our request for comment ("Request For Comment: Insurers Rating Methodology," published Dec. 3, 2018). For a summary of the changes between the request for comment and the final criteria, and the rationale behind those changes, see "RFC Process Summary: Insurers Rating Methodology."

The criteria apply to all global-scale foreign and local currency, long-term issuer credit, financial strength, and financial enhancement ratings on insurers in the life, health, property/casualty, mortgage, title, and bond insurance and reinsurance sectors (including start-up and run-off entities). The criteria also apply to ratings on obligations other than hybrid instruments. The criteria do not apply to ratings on insurance brokers. They also do not apply to any company with unsustainable financial commitments or that has obligations vulnerable to nonpayment; instead, we would use our 'CCC' rating criteria.

The criteria describe how we assess the stand-alone credit profile (SACP) of an insurer. The SACP, together with the support framework, determine the issuer credit rating (ICR) on an insurer. For most companies, the financial strength rating (FSR) and financial enhancement rating (FER), if any, are identical to the ICR.

The assessment of the SACP is based on the following key factors:

- Competitive position,
- Insurance Industry And Country Risk Assessment (IICRA),
- Capital and earnings,
- Risk exposure,
- Funding structure,
- Governance, and
- Liquidity.

We also published today "Guidance: Insurers Rating Methodology," which provides additional information and guidance related to the application of our insurers rating methodology.

This report does not constitute a rating action.

The reports are available to subscribers of RatingsDirect at www.capitaliq.com. If you are not a RatingsDirect subscriber, you may purchase copies of these reports by calling (1) 212-438-7280 or sending an e-mail to research_request@spglobal.com. Ratings information can also be found on S&P Global Ratings' public website by

ANALYTICAL CONTACTS

Simon Ashworth

London
(44) 20-7176-7243
simon.ashworth@spglobal.com

Taos D Fudji

Milan
(39) 02-72111-276
taos.fudji@spglobal.com

Ali Karakuyu

London
(44) 20-7176-7301
ali.karakuyu@spglobal.com

Hardeep S Manku

Toronto
(1) 416-507-2547
hardeep.manku@spglobal.com

Peggy H Poon, CFA

New York
(1) 212-438-8617
peggy.poon@spglobal.com

Eunice Tan

Hong Kong
(852) 2533-3553
eunice.tan@spglobal.com

See complete contact list at end of article.

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Contact List

ANALYTICAL CONTACTS

Simon Ashworth
London
(44) 20-7176-7243
simon.ashworth@spglobal.com

ANALYTICAL CONTACTS

Taos D Fudji
Milan
(39) 02-72111-276
taos.fudji@spglobal.com

ANALYTICAL CONTACTS

Ali Karakuyu
London
(44) 20-7176-7301
ali.karakuyu@spglobal.com

ANALYTICAL CONTACTS

Hardeep S Manku
Toronto
(1) 416-507-2547
hardeep.manku@spglobal.com

ANALYTICAL CONTACTS

Peggy H Poon, CFA
New York
(1) 212-438-8617
peggy.poon@spglobal.com

ANALYTICAL CONTACTS

Eunice Tan
Hong Kong
(852) 2533-3553
eunice.tan@spglobal.com

METHODOLOGY CONTACTS

Steven Ader
New York
(1) 212-438-1447
steven.ader@spglobal.com

METHODOLOGY CONTACTS

Michelle M Brennan
London
(44) 20-7176-7205
michelle.brennan@spglobal.com

METHODOLOGY CONTACTS

Mark Button
London
(44) 20-7176-7045
mark.button@spglobal.com

METHODOLOGY CONTACTS

Ron A Joas, CPA
New York
(1) 212-438-3131
ron.joas@spglobal.com

MEDIA CONTACT

Jeff Sexton
New York
(1) 212-438-3448
jeff.sexton@spglobal.com

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