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A.M. Best Removes Ratings of Tunis Re From Under Review

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LONDON May 26 (BestWire) — A.M. Best Europe – Rating Services Limited has removed from under review with negative implications and affirmed the financial strength rating of B+ (Good) and issuer credit rating of “bbb-” of Société Tunisienne de Reassurance (Tunis Re) (Tunisia). The outlook assigned to both ratings is stable.

The rating actions reflect Tunis Re’s maintained strong risk-adjusted capitalisation and good resilience in the context of the recent unrest in Tunisia. Tunis Re’s day-to-day operations have not been significantly affected, and the company has been able to increase its volume of business written in the first quarter of 2011. Net claims generated by the unrest, part of which have been accounted for in the 2010 accounts, remained at a limited level thanks to the effective retrocession plan in place. Furthermore, the situation in Tunisia has been improving since January, as the country now has a transition government in place, with elections expected to occur before the end of July.

The stable outlook reflects the more challenging environment that Tunis Re is now facing as a result of the Arab spring, which impacted the Middle East as a whole and led the company to revise its growth plan and postpone its capital raising that was initially planned for the first quarter of 2011.

The principal methodology used in determining these ratings is Best’s Credit Rating Methodology — Global Life and Non-Life Insurance Edition, which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilised include: “Risk Management and the Rating Process for Insurance Companies” and “Understanding BCAR for Property/Casualty Insurers”. Methodologies can be found at www.ambest.com/ratings/methodology.

In accordance with Regulation (EC) No. 1060/2009, the following is a link to required disclosures:
<http://www3.ambest.com/emea/ambersdisclosure.pdf>.

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