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## FOR IMMEDIATE RELEASE

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### **A.M. Best Removes From Under Review and Upgrades Issuer Credit Ratings of Swiss Reinsurance Company Ltd and Affiliates**

**LONDON, 7 December 2017**—A.M. Best has removed from under review with positive implications and upgraded the Long-Term Issuer Credit Ratings (Long-Term ICR) to “aa” from “aa-” of **Swiss Reinsurance Company Ltd** (Switzerland) and affiliates. Additionally, A.M. Best has affirmed the Financial Strength Rating (FSR) of A+ (Superior). At the same time, A.M. Best has affirmed the Short-Term Issue Credit Rating (Short-Term IR) and upgraded the related Long-Term Issue Credit Ratings (Long-Term IR) of Swiss Reinsurance Company Ltd and its subsidiaries. The outlook assigned to these Credit Ratings (ratings) is stable. (See below for a detailed listing of the companies and ratings.)

The ratings were placed under review with positive implications on 13 October 2017, following the release of the updated Best’s Credit Rating Methodology (BCRM). The ratings have been removed from under review, as A.M. Best has completed its analysis of the Swiss Re companies under the updated BCRM.

The rating upgrades reflect A.M. Best’s opinion that the rating fundamentals of the consolidated Swiss Re group (Swiss Re), as analysed under the updated BCRM, are supportive of the revised Long-Term ICR. The ratings reflect Swiss Re’s balance sheet strength, which A.M. Best categorises as strongest, as well as its strong operating performance, very favourable business profile and very strong enterprise risk management.

Swiss Re’s balance sheet strength is underpinned by consolidated risk-adjusted capitalisation that is comfortably in excess of what is required for the strongest assessment, as well as excellent financial flexibility.

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A.M. Best's assessment of balance sheet strength takes into account Swiss Re's announced continuation of its share buy-back programme in the fourth quarter of 2017 and first quarter of 2018, and an expected reduction in earnings in 2017 due to catastrophe losses in the third quarter. For the nine months to 30 September 2017, the group reported an annualised return on equity of -1.9%, reflecting expected losses of USD 3.6 billion from Hurricanes Harvey, Irma and Maria and from the Mexico earthquakes. The result is in line with A.M. Best's expectation given the level of catastrophe activity. The group's operating performance over the period 2012-2016 was very strong, and benefited from reserve releases and benign catastrophe experience.

The ratings also reflect Swiss Re's very favourable business profile as a leading global reinsurer, which is underpinned by a wide product offering and a worldwide distribution system. The group's reinsurance segment is well-diversified by line of business and geography. Moreover, the group's product offering is enhanced by the primary non-life insurance business underwritten by its Corporate Solutions division, as well as by the primary life and health closed and open book capabilities of its Life Capital division. The group's market leading position and strong relationships with reinsureds allow it to write private deals and contracts on differentiated terms, which offer protection against competition from traditional and alternative capital providers.

The Long-Term ICRs have been upgraded to "aa" from "aa-" and the FSR of A+ (Superior) has been affirmed for **Swiss Reinsurance Company Ltd** and its following affiliates:

- **Swiss Re Asia Ltd**
- **Swiss Re Europe S.A.**
- **Swiss Re International SE**
- **Swiss Re Corporate Solutions Ltd**
- **Swiss Re Life & Health America Inc.**
- **Swiss Reinsurance America Corporation**
- **Westport Insurance Corporation**
- **North American Specialty Insurance Company**
- **North American Capacity Insurance Company**
- **North American Elite Insurance Company**
- **Washington International Insurance Company**

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- **First Specialty Insurance Corporation**

In addition, an FSR of A+ (Superior) and a Long-Term ICR of “aa”, each with a stable outlook, have been assigned to **Swiss Re Portfolio Partners S.A.**

The Long-Term ICR has been upgraded to “a” from “a-” for **Swiss Re America Holding Corporation.**

The following Short-Term IR has been affirmed:

**Swiss Reinsurance Company Ltd—**

-- AMB-1+ on Euro medium-term notes (EMTN) programme

The following Long-Term IRs have been upgraded:

**Swiss Reinsurance Company Ltd—**

-- to “aa-” from “a+” on EUR 500 million 6.625% subordinated notes, due 2042

-- to “a+” from “a” on USD 750 million 8.25% perpetual junior subordinated capital instruments

**ELM B.V.—**

-- to “a+” from “a” on GBP 500 million 6.302% perpetual junior subordinated step-up notes

**Swiss Re Treasury (US) Corporation—**

-- to “aa” from “aa-” on USD 250 million 2.875% senior unsecured notes, due 2022

-- to “aa” from “aa-” on USD 500 million 4.25% senior unsecured notes, due 2042

**Swiss Re America Holding Corporation—**

-- to “a” from “a-” on USD 400 million 6.45% senior unsecured notes, due 2019 (of which USD 234 million remains outstanding)

-- to “a” from “a-” on USD 600 million 7.00% senior unsecured notes, due 2026 (of which USD 397 million remains outstanding)

-- to “a” from “a-” on USD 350 million 7.75% senior unsecured notes, due 2030 (of which USD 193 million remains outstanding)

**This press release relates to Credit Ratings that have been published on A.M. 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 A.M. Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media**

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