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A.M. Best Assigns Credit Ratings to Oman Reinsurance Company SAOC

LONDON, 29 August 2017—A.M. Best has assigned a Financial Strength Rating of B+ (Good) and a Long-Term Issuer Credit Rating of “bbb-” to **Oman Reinsurance Company SAOC** (Oman Re) (Oman). The outlook assigned to these Credit Ratings (ratings) is stable.

The ratings reflect Oman Re’s strong risk-adjusted capitalisation and A.M. Best’s positive view of the new strategic direction of the company following **Trust International Insurance & Reinsurance Company B.S.C. (c) Trust Re** (Trust Re) gaining control of the company. In addition, the ratings consider Oman Re’s strategic importance to Trust Re. Offsetting rating factors are the company’s track record of weak technical performance and limited business profile.

Oman Re was established in 2008, with Trust Re being among the founding shareholders. Over recent years, Trust Re gradually has increased its involvement in Oman Re through capital injections and technical support, and gained a controlling stake in the company in December 2016. This has prompted a change in management, strategic direction, and a material restructuring of Oman Re’s underwriting portfolio, with a focus on growing profitably. Oman Re also benefits from business generation from Trust Re, which is anticipated to strengthen its franchise in the regional market.

Oman Re has a strong level of risk-adjusted capitalisation, supported by low underwriting leverage and a conservative investment portfolio. Furthermore, Oman Re benefits from good liquidity and an unleveraged

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balance sheet. A.M. Best expects prospective risk-adjusted capitalisation to remain sufficient to absorb the company's growth plans over the medium term, benefiting from actions taken by the new management in 2017 to de-risk the balance sheet, and support expected to be provided by shareholders.

Oman Re has a limited business profile, writing small to medium risks across Africa, Asia, Eastern Europe, and the Middle East. In 2016, Oman Re's gross written premium increased by 19% to OMR 9.1 million, driven by new business generated from the company's parent.

Oman Re has reported losses in each of the past five years, driven by weak technical performance. In 2016, more prudent underwriting resulted in the loss ratio reducing to 55% from 98% in 2015, translating in a reduction of overall operating losses to OMR 0.5 million from OMR 1.2 million in 2015. Although performance for the first half of 2017 indicates that the company continues to improve its profitability, A.M. Best notes that the execution of the new strategy may prove challenging given the ongoing difficult reinsurance market conditions.

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 use of Best's Credit Ratings and A.M. Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases](#).

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