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AM Best Affirms Credit Ratings of Munich Reinsurance Company and Its Subsidiaries

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FOR IMMEDIATE RELEASE

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AM Best has affirmed the Financial Strength Rating (FSR) of A+ (Superior) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "aa" (Superior) of Munich Reinsurance Company (Munich Re) (Germany) and its subsidiaries. AM Best also has affirmed the Long-Term ICR of "a" (Excellent) of Munich Re America Corporation (Munich Re America) (Princeton, NJ) and its associated Long-Term Issue Credit Ratings (Long-Term IR). The outlook of these Credit Ratings (ratings) is stable. See below for a detailed listing of all companies and ratings.

The ratings reflect Munich Re's balance sheet strength, which AM Best assesses as strongest, as well as its strong operating performance, very favourable business profile and very strong enterprise risk management.

Munich Re's balance sheet strength is underpinned by its risk-adjusted capitalisation that exceeds the level required to support the strongest assessment, as measured by Best's Capital Adequacy Ratio (BCAR). AM Best expects Munich Re's risk-adjusted capitalisation to remain at the strongest level, despite the group's exposure to potentially large losses and its record of substantial dividend payments and share buybacks. In addition, the group benefits from excellent financial flexibility and a relatively low financial leverage with a robust coverage ratio.

The group's operating performance is strong, demonstrated by a 10-year weighted average return-on-equity (ROE) ratio of 8.8% (2013-2022) (based on IFRS 4, as calculated by AM Best). In 2023, under IFRS 17, Munich Re reported a net profit of EUR 4.6 billion (2022: EUR 5.3 billion) with ROE standing at 16.1% (as calculated by AM Best). The group's property/casualty (P/C) reinsurance division reported a net profit of EUR 2.4 billion with natural catastrophe and man-made losses slightly below budget at EUR 3.3 billion. Munich Re's life & health (L&H) reinsurance division and ERGO reported net profits of EUR 1.4 billion and EUR 721 million, respectively, demonstrating the benefits of the group's good earnings diversification. Furthermore, increased investment results contributed

significantly to Munich Re's annual results.

Munich Re is a leading global reinsurer and its business profile benefits from excellent diversification, with the performance of its various life, health and P/C operations largely uncorrelated. Given its global market presence and excellent brand, the group is well-positioned to benefit from improved reinsurance market conditions.

The FSR of A+ (Superior) and the Long-Term ICRs of "aa" (Superior) have been affirmed with stable outlooks for Munich Re and its following subsidiaries:

- Great Lakes Insurance SE
- Great Lakes Insurance UK Limited
- New Reinsurance Company Ltd.
- Munich Reinsurance America, Inc.
- The Princeton Excess and Surplus Lines Insurance Company
- American Alternative Insurance Corporation
- Bridgeway Insurance Company
- Munich American Reassurance Company
- Munich Reinsurance Company of Canada
- Temple Insurance Company
- American Family Home Insurance Company
- American Modern Home Insurance Company
- American Modern Lloyds Insurance Company
- American Modern Select Insurance Company
- American Southern Home Insurance Company
- American Western Home Insurance Company
- American Modern Property and Casualty Insurance Company
- Munich Re of Bermuda, Ltd.
- Digital Advantage Insurance Company
- ERGO Insurance Pte. Ltd.

The following Long-Term IRs have been affirmed with stable outlooks:

Munich Re America Corporation—

— "a" (Excellent) on USD 500 million 7.45% senior unsecured notes, due 2026

American Alternative Insurance Corporation—

— "a+" (Excellent) on USD 92.5 million 5.0% surplus notes

The Princeton Excess and Surplus Lines Insurance Company—

— “a+” (Excellent) on USD 20.1 million 5.0% surplus notes

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 Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#). AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
011574	American Alternative Insurance Corp
004084	American Family Home Insurance Company
003031	American Modern Home Insurance Company
001709	American Modern Lloyds Insurance Company
003285	American Modern Property & Casualty Ins

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