



Insurer Financial Strength Rating Report

Saudi Reinsurance Company (Saudi Re)

November 2021

Classification: [Restricted](#)

RELATED CRITERIA AND METHODOLOGY

Rating Methodology for Insurance Companies (v.2. 2019) can be found on the website:
www.tassnief.com

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Saudi Reinsurance Company

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Rating Summary

1.1 TASSNIEF Opinion:

<i>Saudi Reinsurance Company – IFS Rating</i>	
<i>Domicile</i>	<i>Saudi Arabia</i>
<i>Insurer Financial Strength Rating</i>	<i>AA+</i>
<i>Outlook</i>	<i>Stable</i>
<i>Rating Watch</i>	<i>No</i>
<i>Action Type</i>	<i>Maintain</i>
<i>Last Rating Action</i>	<i>November 2020</i>
<i>Type of Relationship</i>	<i>Solicited</i>

Tassnief has maintained the Insurer Financial Strength Rating of **“AA+” (Double A Plus)** to Saudi Reinsurance Company. The outlook on the rating is “Stable”. The AA+ rating is indicative of minute risk factors and very high prospect of meeting policyholder liabilities.

1.2 TASSNIEF Rating Rationale:

The assigned rating reflects Saudi Reinsurance Company’s (Saudi Re) low risk profile, strong balance sheet strength, improving operating performance, diversified business profile and sound enterprise risk management. Ratings also take into account the Company’s increasing market share (in the ongoing year), strong brand strength & competitive advantages in the KSA market and diversified operations with increasing presence in its target markets of Asia, Africa and Lloyd's.

Assessment of financial risk profile incorporates strong risk adjusted capitalization indicators as evident from healthy solvency buffers, leverage free balance sheet and access to capital markets with ability to raise funds if required. Moreover, the company has continued to maintain a conservative investment profile and satisfactory liquidity buffers. Saudi Re’s focus on underwriting selection and discipline has translated into improving underwriting performance which needs to be strengthened and sustained. Rating also reflects Saudi Re’s strong corporate governance framework and sound risk management practices. Enhanced focus on sustainability efforts and development and implementation of measurable environment, social, and governance (ESG) goals have been noted positively.

Tassnief views overall operating environment for reinsurance companies to remain stable where better pricing dynamics in recent years are balanced by competitive industry landscape. Saudi Re has recorded healthy double digit growth in gross premiums during 2020 and in the ongoing year. Further enhancing scale of operations is considered important from a ratings perspective.

General improvement in macroeconomic environment along with roll out/implementation of a number of initiatives could facilitate in sustaining growth momentum over the medium terms.

1.3 Rating Triggers

Ratings may face downward pressure in case of weakening in combined ratios for a prolonged period of time, deterioration in capitalization buffers, change in current conservative investment profile to an aggressive return driven investment policy and leveraging of balance sheet.

1.4 About the Company:

Saudi Reinsurance Company (Saudi Re), is a joint stock company established in 2008. It is the first reinsurance company to be founded in the Kingdom of Saudi Arabia (KSA). The initial public offering was conducted in 2008, after which the company was listed on Tadawul.

The company is engaged in the provision of life and non-life reinsurance on a proportional and non-proportional basis. The business segments that the company are:

- 1) Fire: Protection against damage of property
- 2) Engineering: Coverage for builder's risk, machinery breakdown etc.
- 3) Marine: Coverage for goods in transit and transport vehicles
- 4) Motor: Protection against losses and liabilities of vehicles
- 5) Life Insurance: Protection for individuals or group of individuals against death and disability
- 6) Medical insurance: Coverage of medical costs including consultation, surgery and medication
- 7) General Accident / Liability: Coverage of a variety of events/properties such as money, liabilities and personal accident whether for individual or group.

The organization works through head office in Riyadh. Additionally, Saudi Re has a branch in Labuan, Malaysia for dealing with the business in the region. The organization has tapped into reinsurance business of more than 40 countries in the GCC, Africa, Asia. The company has also penetrated South American and European markets through Lloyd's business via its associate Probitas Holding Bermuda Ltd.

Saudi Re is one of the first reinsurance companies in the region to publish its sustainability report with measurable environment, social, and governance (ESG) goals. The Company has also received a Sharia Compliance Certificate from the Sharia Review Bureau.

****End of Report****