

NEWS RELEASE

## AM Best Affirms Credit Ratings of RenaissanceRe Holdings Ltd. and Its Main Subsidiaries

2024-09-11

OLDWICK, N.J.--(BUSINESS WIRE)-- **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 Renaissance Reinsurance Ltd. (RenaissanceRe), Renaissance Reinsurance U.S. Inc. (Maryland), RenaissanceRe Specialty U.S. Ltd., Renaissance Reinsurance of Europe Unlimited Company (Dublin, Ireland) and RenaissanceRe Europe AG (Zurich, Switzerland). Additionally, AM Best has affirmed the Long-Term ICR of "a-" (Excellent) and the Long-Term Issue Credit Ratings (Long-Term IR) of RenaissanceRe Holdings Ltd. (RNR) [NYSE: RNR]. AM Best also has affirmed the FSR of A (Excellent) and the Long-Term ICR of "a+" (Excellent) of DaVinci Reinsurance Ltd. (DaVinci) and the Long-Term ICR of "bbb+" (Good) of DaVinciRe Holdings Ltd. Concurrently, AM Best has affirmed the FSR of A (Excellent) and the Long-Term ICR of "a+" (Excellent) of Fontana Reinsurance Ltd. (Fontana Re). At the same time, AM Best has affirmed the FSR of A (Excellent) and the Long-Term ICR of "a+" (Excellent) of Fontana Reinsurance U.S. Ltd. (Fontana Re US). Concurrently, AM Best has affirmed the FSR of A (Excellent) and the Long-Term ICR of "a+" (Excellent) of Vermeer Reinsurance Ltd. (Vermeer). The outlook of these Credit Ratings (ratings) is stable. All aforementioned companies are domiciled in Bermuda, unless otherwise specified. (See below for a detailed listing of the Long-Term IRs.)

The ratings of RenaissanceRe reflect the group's balance sheet strength, which AM Best assesses as strongest, as well as its adequate operating performance, very favorable business profile and very strong enterprise risk management (ERM).

AM Best's assessment of RenaissanceRe's overall balance sheet strength considers the positive impact of the financial flexibility provided by its ultimate parent, RNR, which typically maintains significant capital at the holding company level and is available to be downstreamed into its underwriting companies, as needed. RNR has consistently demonstrated its ability to raise capital through the public and private equity markets, as well as the

public debt markets. RNR's ability to attract and deploy capital during favorable and challenging market cycles is an important consideration in AM Best's assessment of the enterprise's overall balance sheet strength and the individual balance sheet assessments of RNR's operating companies.

RenaissanceRe's operating performance has improved substantially in recent years in terms of dampened volatility as its specialty and casualty lines have earned into the portfolio and partially offset the volatility produced by the property catastrophe core of RenaissanceRe's writings. Additionally, for the year ended Dec. 31, 2023, which did not experience outsized property catastrophe activity, RenaissanceRe produced very strong operating performance from underwriting and fee generation. Lastly, investment returns have increased significantly as RenaissanceRe's relatively short-duration fixed-income portfolio experienced a marked increase in yield as expiring issuances were reinvested at improved yields to maturity.

AM Best has revised its assessment of RenaissanceRe's business profile to very favorable from favorable, which partially reflects the company's successful integration of Validus Reinsurance, Ltd. (Validus Re) and its consolidated subsidiaries, which were acquired along with the rest of American International Group, Inc.'s treaty reinsurance business in a transaction that was completed in the fourth quarter of 2023. The addition of the Validus Re portfolio further strengthened RenaissanceRe's already considerable global market position in the property catastrophe reinsurance segment, as well as in casualty and specialty lines that now comprise more than half of its underwriting premiums and have been consistently profitable. RenaissanceRe's business profile assessment also recognizes the company's leadership in ERM, modeling capabilities and third-party capital management, where it maintains a strong reputation in evaluating risk and effectively deploying capital. As a result, it has attracted capital from outside investors to form several successful joint ventures, including DaVinci, Top Layer Reinsurance Ltd., Vermeer, and most recently, Fontana Holdings L.P., its first third-party reinsurance capital-backed joint venture focused on casualty and specialty risks.

Partially offsetting these strengths is RenaissanceRe's exposure to high-severity losses associated with global catastrophe events, although the company's underwriting results and overall operating performance has grown increasingly less volatile, as diversifying business lines have mitigated the impact of catastrophe losses. Looking forward, RenaissanceRe appears well-positioned to benefit from continued, favorable overall market conditions in the global reinsurance space.

The ratings of DaVinci reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and very strong ERM. DaVinci's profile is enhanced due to its affiliation to RenaissanceRe.

The ratings of Fontana Re reflect its balance sheet strength, which AM Best assesses as very strong, as well as its

adequate operating performance, neutral business profile and very strong ERM.

The ratings of Fontana Re US reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and very strong ERM.

The ratings of Vermeer reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and very strong ERM.

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

RenaissanceRe Holdings Ltd.

-- "bbb" (Good) on \$250 million 5.75% non-cumulative fixed rate Series F perpetual preferred stock

RenaissanceRe Finance Inc. (guaranteed by RenaissanceRe Holdings Ltd.)

-- "a-" (Excellent) on \$300 million 3.7% senior unsecured notes, due 2025

-- "a-" (Excellent) on \$300 million 3.45% senior unsecured notes, due 2027

The following indicative Long-Term IRs under the shelf registration have been affirmed with stable outlooks:

RenaissanceRe Holdings Ltd.

-- "a-" (Excellent) on senior unsecured

-- "bbb+" (Good) on subordinated

-- "bbb" (Good) on preferred stock

RenaissanceRe Capital Trust II

-- "bbb" (Good) on trust preferred securities

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**.

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