

NEWS RELEASE

## AM Best Assigns Credit Ratings to Tanzania Reinsurance Company Limited

10/2/2023

LONDON--(BUSINESS WIRE)-- **AM Best** has assigned a Financial Strength Rating of B (Fair) and a Long-Term Issuer Credit Rating of "bb+" (Fair) to Tanzania Reinsurance Company Limited (TAN RE) (Tanzania). The outlook assigned to these Credit Ratings (ratings) is stable.

The ratings reflect TAN RE's balance sheet strength, which AM Best assesses as very strong, as well its strong operating performance, limited business profile and marginal enterprise risk management.

TAN RE's balance sheet strength is underpinned by its risk-adjusted capitalisation that is comfortably at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), benefiting from a conservative investment strategy by asset class. Prospective risk-adjusted capitalisation is expected to be supported by strong organic capital generation. The ratings consider TAN RE's exposure to the high levels of economic, political and financial system risks in Tanzania, where the majority of the company's assets are invested.

AM Best assesses TAN RE's operating performance as strong, with the company reporting a five-year (2018-2022) weighted average combined ratio of 91.2% and return on equity ratio of 10.7%. The company's favourable underwriting performance is driven by its non-life portfolio, which accounted for approximately 90% of its total premiums in 2022. Overall operating earnings are supported by solid investment returns.

TAN RE is a small composite reinsurer by global standards, with gross written premium of USD 77 million in 2022. The company has privileged market access in Tanzania, where it benefits from mandatory cession from domestic insurers.

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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