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## AM Best Affirms Credit Ratings of MS Amlin AG and Lloyd's Syndicate 2001

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### Related Companies

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AMB#	Company Name
085202	Lloyd's
048337	Lloyd's Synd 2001 (MS Amlin Undrwr Ltd)
078117	MS Amlin AG
052662	MS&AD Insurance Group Holdings, Inc.

### FOR IMMEDIATE RELEASE

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**AM Best** has affirmed the Financial Strength Ratings (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings of "a+" of MS Amlin AG (Switzerland), and Lloyd's Syndicate 2001 (Syndicate 2001) (United Kingdom), which is managed by MS Amlin Underwriting Limited. The outlook of these Credit Ratings (ratings) remains stable.

MS Amlin AG's ratings reflect the company's balance sheet strength, which AM Best categorises as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM). In addition, the ratings benefit from enhancement due to the support of MS Amlin AG's ultimate parent, MS&AD Insurance Group Holdings, Inc. (MS&AD).

Syndicate 2001's ratings reflect the balance sheet strength of the Lloyd's market, which AM Best categorises as very strong, as well as the market's strong operating performance, favourable business profile and appropriate ERM. The Lloyd's market rating is the floor for all syndicate ratings, reflecting the Lloyd's chain of security, and, in particular, the role of the Central Fund, which partially mutualises capital at the market level.

MS Amlin AG is a mid-tier reinsurer with gross written premiums of CHF 1.6 billion in 2019. The company's market position and brand benefit from its association with Syndicate 2001 and MS&AD. Syndicate 2001 is one of the largest Lloyd's syndicates, with a capacity of GBP 1.6 billion for the 2020 year of account. MS Amlin AG and Syndicate 2001 are the key operating subsidiaries of Mitsui Sumitomo Insurance Company, Limited in

Europe. Syndicate 2001 writes a diversified book of property/casualty, marine and reinsurance business. MS Amlin AG writes reinsurance business only.

MS Amlin AG's balance sheet strength is underpinned by its risk-adjusted capitalisation being at the strongest level, based on Best's Capital Adequacy Ratio as at year-end 2019. The capital position is subject to potential volatility, due to the company's exposure to high-severity losses. Nevertheless, AM Best expects that the company will maintain the strongest level of risk-adjusted capitalisation, supported by MS&AD if required. MS Amlin AG's ratings consider the company's strategic importance to MS&AD as the group's principal international reinsurer.

In 2019, loss experience improved for MS Amlin AG and Syndicate 2001, partially due to lower natural catastrophe losses, as demonstrated by loss ratios of 70% (2018: 83%) for MS Amlin AG and 64% (2018: 69%) for Syndicate 2001, as calculated by AM Best. Strategic portfolio remediation has been underway across the MS Amlin group for a number of years to address its unfavourable loss experience, and will continue over the near term. As part of this, management discontinued or reduced a number of lines of business in 2018 and 2019. In addition, in 2019, the group purchased an adverse development cover for the 2018 and prior years' earned business to reduce uncertainty around prior year loss reserves. A project was also initiated with a focus on cost efficiencies and the expense ratio has subsequently improved for both MS Amlin AG and Syndicate 2001.

**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 media use of Best's Credit Ratings and AM Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases.**

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