

AM Best Assigns Credit Ratings to Stonetrust Premier Casualty Insurance Co.; Affirms Ratings of Stonetrust Commercial Ins. Co.

CONTACTS:

Kimberly Muccia
Senior Financial Analyst
+1 908 439 2200, ext. 5731
kimberly.muccia@ambest.com

Christopher Sharkey
Manager, Public Relations
+1 908 439 2200, ext. 5159
christopher.sharkey@ambest.com

Brian O'Larte
Director
+1 908 439 2200, ext. 5138
brian.o'larte@ambest.com

Jim Peavy
Director, Public Relations
+1 908 439 2200, ext. 5644
james.peavy@ambest.com

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AM Best has assigned a Financial Strength Rating (FSR) of B++ (Good) and a Long-Term Issuer Credit Rating (Long-Term ICR) of “bbb+” to Stonetrust Premier Casualty Insurance Company. The outlook assigned to these Credit Ratings (ratings) is stable. Concurrently, AM Best has affirmed the FSR of B++ (Good) and the Long-Term ICR of “bbb+” of Stonetrust Commercial Insurance Company (Stonetrust). The outlook of these ratings remain stable. The companies are domiciled in Omaha, NE and are collectively known as Stonetrust Insurance Group (the group).

The ratings reflect the group’s balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management (ERM).

AM Best’s balance sheet strength assessment of very strong is based on the group’s strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), and favorable loss reserving trends, as well as positive underwriting and operating cash flows generated year over year. Additionally, improved underwriting leverage has enhanced risk-adjusted capitalization and overall balance sheet strength. Offsetting the positive rating factors is the elevated common stock leverage, leaving surplus susceptible to stock market downturns.

The group’s limited business profile reflects its product concentration as a monoline workers’ compensation insurance company operating in eight states, predominately in Louisiana. Operating profitability, owing to disciplined underwriting and loss control initiatives, is demonstrated by the group’s 10-year average combined ratio of 96.5%, which compares favorably with the industry and workers’ compensation composite averages. The group’s ERM program benefits from a comprehensive reinsurance program with low retentions, and incorporates the benefit of the Terrorism Risk Insurance Program Reauthorization Act in its framework.

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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