

MAY 20, 2021 10:06 AM (EDT)

AM Best Revises Outlooks to Positive for Members of Stonetrust Insurance Group

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OLDWICK - MAY 20, 2021 10:06 AM (EDT)

AM Best has revised the outlooks to positive from stable and affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Ratings of “bbb+” (Good) of Stonetrust Commercial Insurance Company and its reinsured subsidiary, Stonetrust Premier Casualty Insurance Company. The companies are domiciled in Omaha, NE and are collectively known as Stonetrust Insurance Group (the group).

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

The outlook revisions to positive reflect favorable considerations regarding the group’s overall balance sheet strength. AM Best expects the group to continue to report favorable loss reserving trends, maintain the strongest level of risk-adjusted capitalization, as measured by Best’s Credit Adequacy Ratio (BCAR), and continue to generate organic surplus growth through profitable underwriting and investment performance. While common stock leverage remains elevated, management is expected to maintain close controls over the portfolio to mitigate potential volatility and keep equity leverage within tolerance levels.

The group’s adequate operating performance has benefited from profitability initiatives geared toward refining the classes of business written, as well as a commitment to safety and loss prevention strategies. The group’s limited profile reflects its product and geographic concentration, writing monoline workers’ compensation coverage primarily in Louisiana, Oklahoma and Arkansas. While management intends to expand its book of business, it will do so in a methodical way within familiar classes of workers’ compensation. The group maintains an appropriate ERM program to mitigate risk exposure, which is overseen by an ERM Steering Committee.

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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