

AM Best Affirms Credit Ratings of European Mutual Association for Nuclear Insurance

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AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a" of European Mutual Association for Nuclear Insurance (Emani) (Belgium). The outlook of these Credit Ratings (ratings) remains stable.

The ratings reflect Emani's balance sheet strength, which AM Best categorises as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management. Emani is a mutual insurer writing predominantly property and terrorism business in the nuclear energy sector.

Emani's balance sheet strength is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), taking into account the mutual's ability to make supplementary capital calls to its members. In the unlikely event of a full limit loss, there would be a material depletion of capital due to the large gross and net line size offered by Emani to its members relative to its capital base. However, AM Best believes that the mutual's contractual right to call retrospective premium for six times each member's annualised premium contribution would enable the mutual to rebuild its capital base quickly. While Emani's product risk is considered to be high, strong underwriting guidelines, extensive loss control management and a developed risk management framework moderate the mutual's risk exposure.

Emani has a track record of strong technical performance, demonstrated by combined ratios ranging from 3% to 64% over the five-year period ending in 2018. Prospective performance remains subject to volatility, as the mutual's claims profile is dominated by an infrequent number of low to mid-sized losses.

Emani has a leading market position in the nuclear energy sector, writing property cover of nuclear facilities. The mutual's specialist profile is enhanced by the provision of loss prevention services to its members. The mutual further benefits from favourable market conditions, with demand for nuclear coverage expected to remain strong through the medium term. A partially offsetting factor is the high risk profile of its underwritten risks, which is moderated somewhat by good geographical diversification. While the mutual predominantly provides coverage to facilities across Europe, it also has an established position in North America and South Africa.

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 [Understanding 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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