

Press Release - MAY 12, 2016

A.M. Best Affirms Ratings of Caisse Centrale de Réassurance

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FOR IMMEDIATE RELEASE

LONDON - MAY 12, 2016

A.M. Best has affirmed the financial strength rating of A+ (Superior) and the issuer credit rating of "aa" of **Caisse Centrale de Réassurance (CCR)** (France). The outlook for each rating remains stable.

The ratings reflect CCR's strong risk-adjusted capitalisation, good operating performance and excellent business profile in France and abroad. The ratings also factor in the explicit unlimited guarantee provided by the Republic of France to CCR's state-backed business.

CCR's risk-adjusted capitalisation remains strong, supported by a conservative earnings retention policy and the backing of the Republic of France. CCR offers reinsurance coverage for natural catastrophe, terrorism and other exceptional risks with the explicit support of the French state, its sole shareholder, in the form of unlimited stop-loss reinsurance. Additionally, the company writes some traditional reinsurance business not covered by the French state's stop-loss guarantee (i.e., open market business). In line with the guidelines provided by the French state, the traditional open market reinsurance business accounted for about one-third of the company's total gross written premiums in 2015.

CCR recorded a net profit of EUR 216 million in 2015, stemming from a good technical performance and an investment return of 2%. The state-backed reinsurance business contributed a net profit of EUR 204 million, benefiting from a relatively benign year of catastrophe experience in France. The open market book of business contributed a net profit of EUR 12 million, chiefly driven by an absence of large losses and strong returns from the company's life portfolio. Overall, CCR published a strong net combined ratio of 68% in 2015, compared with 69% in 2014.

CCR maintains a unique position as the main reinsurer of natural catastrophe risks underwritten in France with an estimated market share of approximately 90%. A.M. Best expects the company to retain its strategic importance for the French state as a provider of reinsurance for risks typically considered uninsurable. CCR should also maintain a good profile in the open market, although this portfolio of business is expected to remain incidental to its main strategic mission.

This press release relates to rating(s) that have been published on A.M. 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 A.M. Best's [Recent Rating Activity](#) web page.

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