

Research Update:

Caisse Centrale de Reassurance Outlook Revised To Negative After Same Action On France; 'AA-' Ratings Affirmed

March 5, 2025

Overview

- On Feb. 28, 2025, we revised our outlook on France to negative from stable and affirmed the unsolicited 'AA-/A-1+' sovereign ratings.
- Caisse Centrale de Reassurance (CCR) plays a critical role for and has an integral link with the French government, given its public policy role as provider of unlimited reinsurance coverage for natural catastrophes.
- CCR benefits from a state guarantee for the French natural catastrophe business.
- We therefore revised our outlook on CCR to negative from stable and affirmed the 'AA-' ratings.
- The negative outlook on CCR mirrors that on France.

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Rating Action

On March 5, 2025, S&P Global Ratings revised its outlook on Caisse Centrale de Reassurance (CCR) to negative from stable and affirmed the 'AA-' long-term insurer financial strength and issuer credit ratings.

Rationale

We equalize our long-term rating on CCR with our unsolicited long-term sovereign rating on France (AA-/Negative/A-1+). This is because we believe the reinsurer shares an integral link with the French government and there is an almost-certain likelihood of government support if CCR experiences any financial distress.

CCR's government-guaranteed businesses are stated by law (Insurance Code, Art. 431) and include natural catastrophes, nuclear, terrorism, and other exceptional risks. The details of the law's implementation were reaffirmed in an agreement between the government and the company

in 2017. The government has to provide financial assistance to CCR when claims in one accounting year exceed the threshold of 90% of the equalization and special reserve built up for this type of business.

CCR benefits from France's credit-evaluative system, under which the government does not need parliamentary approval to provide financial assistance for the company's guaranteed business, and there is no limit to the amount of support.

Outlook

The negative outlook on CCR mirrors that on France. This reflects our expectation that the company will maintain its critical role for and integral link with the French government for at least the next two years.

Downside scenario

We could lower our ratings on CCR if we were to lower our ratings on France.

Although unlikely at this stage, any indication of a weakening of the company's critical role for or integral link with the French government might prompt us to consider lowering the long-term rating on CCR, potentially by several notches.

Upside scenario

We could revise the outlook on CCR to stable if we took a similar action on France and our view on CCR's critical role for and integral link with the French government is unchanged.

Ratings Score Snapshot

	To	From
Financial strength rating	AA-/Negative/--	AA-/Stable/--
Anchor	a	a
Business risk	Strong	Strong
IICRA	Intermediate	Intermediate
Competitive position	Strong	Strong
Financial risk	Strong	Strong
Capital and earnings	Excellent	Excellent
Risk exposure	High	High
Funding structure	Neutral	Neutral
Modifiers	0	0
Governance	0	0
Liquidity	Adequate	Adequate
Comparable ratings analysis	0	0
Support	2	2
Group support	0	0

	To	From
Financial strength rating	AA-/Negative/--	AA-/Stable/--
Government support	2	2

IICRA--Insurance Industry And Country Risk Assessment.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- France 'AA-/A-1+' Ratings Affirmed; Outlook Revised To Negative On Weakening Public Finances, Feb. 28, 2025

Ratings List

Ratings Affirmed; Outlook Action

	To	From
Caisse Centrale de Reassurance		
Issuer Credit Rating		
Local Currency	AA-/Negative/--	AA-/Stable/--
Financial Strength Rating		
Local Currency	AA-/Negative/--	AA-/Stable/--

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings. Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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