



Best's Credit Rating Effective Date

June 24, 2022

Analytical Contacts

Christopher Pennings
Financial Analyst
Christopher.Pennings@ambest.com
+1(908) 439-2200 Ext. 5611

Clare Finnegan
Senior Financial Analyst
Clare.Finnegan@ambest.com
+1(908) 439-2200 Ext. 5165

Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

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Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Associated Electric & Gas Insurance Services Limited

AMB #: 085055 | **AIIN #:** AA-3190004

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A
Excellent
Outlook: Stable
Action: Affirmed

Issuer Credit Rating (ICR)

a
Excellent
Outlook: Stable
Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Adequate
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Rationale

Balance Sheet Strength: **Strongest**

- As a mutual company whose members are utility companies in the U.S. and Canada, Associated Electric & Gas Insurance Services Limited (AEGIS) has limited financial flexibility. AEGIS has a demonstrated ability to limit distributions to members and pass along significant rate increases without sacrificing member retention.
- Risk-adjusted capital as measured by Best's Capital Adequacy Ratio (BCAR) is in the strongest range at the 99.6% VaR level.
- Conservative and liquid investment portfolio mainly allocated in investment-grade bonds, which along with cash, composed 79% of invested assets at December 31, 2021. The fixed-income portfolio duration is very short at 1.4 years.
- Diversification achieved through Lloyd's Syndicate 1225 (AEGIS London) has historically worked to dampen earnings and surplus volatility.

Operating Performance: **Adequate**

- Historically well-disciplined underwriting and conservative use of reinsurance. Also benefiting underwriting stability is the diversification benefit between AEGIS's and AEGIS London's businesses that, taken together, have shown significant stability in the last five years.
- AEGIS has produced strong underwriting income over the last five years with an average combined ratio of 90.8%, and 90.6% and 88.7% in 2021 and 2020, respectively. Underwriting performance has been a strong contributor to operating performance in the last five years.
- AEGIS has generated stable investment income as a result of investing in conservative fixed-income instruments with an average duration of 1.4 years. AEGIS enjoys significant asset leverage due to its relatively long claim tail that generates significant float to partially offset a relatively low yield. Nominal investment income has strongly contributed to operating results over the last five years in particular.

Business Profile: **Neutral**

- As a member-owned mutual, AEGIS has deep access and understanding of the energy and utility insurance industry in the U.S. and Canada with a long track record of very high member retention. The company's Lloyd's syndicate provides diversification to the overweight concentration of overall insureds within the U.S. and Canadian utility industry.
- AEGIS has a broad presence in the U.S. and Canadian energy industry space, offering significant capacity to its members and writing business for almost the entire investor-owned utility industry.
- AEGIS London performs in the top quartile of all Lloyd's syndicates, and its operating performance has a low correlation to the domestic utility business written by the mutual.

Enterprise Risk Management: **Appropriate**

- The AEGIS board has the ultimate oversight of risk. AEGIS and AEGIS London have their own board and risk and capital committees, with individual capital models and risk management frameworks supplemented by a group risk committee and joint capital model to assess the overall enterprise risk.
- High level of risk-adjusted capitalization at the tail (1-in-500-year return period or 99.8% VaR).
- AEGIS employs clear, measurable risk tolerances that are accumulated in risk registers for the mutual, the syndicate and at the consolidated level. Risk registers and internal capital models are significant inputs to the risk governance process.

Outlook

- The stable outlooks reflect AM Best's view that AEGIS will continue to maintain its current rating fundamentals in the short to medium term. Risk-adjusted capitalization is expected to remain at the strongest level, as measured by BCAR, and be supported by positive results in its insurance operations bolstered by prudent underwriting and adequate rate increases.

Rating Drivers

- Key rating drivers that may lead to positive actions on the ratings of Associated Electric & Gas Services Limited are sustained favorable underwriting metrics, supported by strong internal capital generation.

- Key rating drivers that could negatively affect the ratings are increased underwriting volatility, significant investment losses, or outsized catastrophic events in conjunction with a decline in risk-adjusted capitalization.

Key Financial Indicators

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	65.3	48.5	41.4	39.2

Source: Best's Capital Adequacy Ratio Model - Global

Key Financial Indicators	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Net Premium Written:					
Non-Life	1,469,532	1,322,551	1,156,788	1,028,021	880,647
Composite	1,469,532	1,322,551	1,156,788	1,028,021	880,647
Net Income	229,784	112,267	117,935	100,107	132,727
Total Assets	9,440,036	8,629,627	7,868,164	7,073,674	6,512,136
Total Capital and Surplus	2,107,391	1,900,234	1,782,553	1,636,128	1,557,265

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)	Weighted 5 Year Average
Profitability:						
Net Income Return on Revenue	14.1	8.4	9.1	9.8	13.2	11.0
Net Income Return on Capital and Surplus	11.5	6.1	6.9	6.3	8.9	7.7
Balance on Non-Life Technical Account	132,122	136,685	44,127	114,572	80,963	...
Non-Life Combined Ratio	90.6	88.7	95.9	88.1	90.5	90.8
Net Investment Yield	1.4	2.0	2.9	2.6	2.6	2.2
Leverage:						
Net Premium Written to Capital and Surplus	69.7	69.6	64.9	62.8	56.6	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Risk-adjusted capitalization is strong, supported by an increasing capital base generated through operating results. As of year-end 2021 AEGIS' reported surplus was USD 2.1 billion (USD 1.9 billion at year end 2020). The increase was mainly due to retention of net income, partially offset by member distributions. Surplus has grown at an average annual rate of 8.4% per year over the last 5-year period.

Capitalization

AEGIS' capitalization is assessed as "Strongest" as measured by Best Capital Adequacy Ratio (BCAR) score. Surplus has grown in the last 10 years, increasing by approximately USD 1.1 billion. While not anticipated, management has also indicated it can further adjust the level of its member credits to boost capitalization levels, should the need arise.

Balance Sheet Strength (Continued...)

Capital Generation Analysis	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Beginning Capital and Surplus	1,900,234	1,782,553	1,636,128	1,557,265	1,428,698
Net Income after Non-Controlling Interests	229,784	112,267	117,935	100,107	132,727
Unrealized Capital Gains (Losses)	-20,811	2,834	28,490	-21,244	-4,160
Other Changes in Capital and Surplus	-1,816	2,580	...	...	...
Net Change in Capital and Surplus	207,157	117,681	146,425	78,863	128,567
Ending Capital and Surplus	2,107,391	1,900,234	1,782,553	1,636,128	1,557,265
Net Change in Capital and Surplus (%)	10.9	6.6	9.0	5.1	9.0

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Net Operating Cash Flow	325,481	429,895	169,325	312,838	92,609
Liquid Assets to Total Liabilities (%)	69.3	70.6	69.7	75.2	79.7

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

A favorable liquidity position is maintained with about 79% of invested assets in fixed-income and cash. AEGIS's implicit investment risk is partially mitigated by its use of various portfolio managers, careful monitoring of results and exposures by management, and extensive diversification among holdings. Income expectations from any foreign-currency-denominated fixed-income securities are generally forward-hedged to the U.S. dollar. Risk of possible rate rises has been mitigated by maintaining a fixed-income portfolio with a short duration.

Composition of Cash and Invested Assets	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Total Cash and Invested Assets	5,519,866	5,235,637	4,704,169	4,435,564	4,209,876
Composition Percentages (%):					
Unaffiliated:					
Cash and Short Term Investments	11.6	9.8	8.3	6.0	6.9
Bonds	71.6	73.3	77.5	75.7	78.5
Stocks	8.9	7.6	4.4	10.5	8.4
Real Estate, Mortgages and Loans	3.8	3.6	4.2	3.9	3.4
Other Invested Assets	4.1	5.7	5.6	3.9	2.8
Total Unaffiliated Cash and Invested Assets	100.0	100.0	100.0	100.0	100.0
Total Cash and Invested Assets	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Reserves are reviewed by Willis Towers Watson, who prepare the independent actuarial reports for the mutual and its Canadian branch, and AEGIS London. AEGIS reserving practices are conservative and have developed favorably overall. AEGIS had adverse prior year development of USD 8.2 million in 2021, favorable prior year reserve development of USD 64.2 million for 2020, and adverse prior year reserve development of USD 18.9 million for 2019.

Balance Sheet Strength (Continued...)

Holding Company Assessment

Holding Company Analytics	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Liquid Assets to Total Liabilities (%)	69.3	70.6	69.7	75.2	79.7

Source: BestLink® - Best's Financial Suite

Operating Performance

Overall Earnings

AEGIS's overall operating performance has been very favorable, as evidenced by a 5-year average Return on Equity of 7.7%. The company consistently produced positive operating results over the last 10-year period, as measured on a net income or comprehensive income basis. AEGIS's 10-year average operating ratio of 81.8% indicated strong performance on an overall basis and was 85.3% and 80.4% in 2021 and 2020, respectively.

Underwriting Results

AEGIS has generated strong underwriting income over the last five years. Underwriting performance has been a significant contributor to operating performance since 2013. AEGIS' loss ratio and expense ratios have been stable over the last 5-year period, which is the result of the company's account-level pricing and underwriting approach coupled with the textbook diversifying effect of AEGIS London. The syndicate is managed with a focus on profitability over premium growth and the mutual is managed to achieve consistency in rates and coverage in all markets with emphasis on sustainable results.

The company's strong relative underwriting results over the most recent three years, combined with strong investment income, helped produce positive net income in each of those years. Since 2013, underwriting results were favorable primarily due to profitable accident-year underwriting results, supplemented by favorable prior-year reserve development on a net basis and across most lines of business. Operating earnings have been offset historically by the distribution of member credits, which led to planned reductions in retained profit.

Underwriting profits have been reported in the five most recent years, which highlights management's efforts to properly price each risk. AEGIS has a relatively low-cost platform and its philosophy is to have members share in the underwriting and investment income generated from their premiums through the company's member credit programs. The company's very good operating ratio provides the opportunity for member credits to offset a member's subsequent year premium charge.

Gross premiums written has grown over the last 10-year period at an average annual rate of 7.9%. Continued growth in AEGIS's core lines, combined with the significant increase in writings through AEGIS London, the domestic property program and the introduction of new cyber and generation outage coverages and a renewable energy property initiative, have contributed positively to AEGIS' overall writings. Despite necessary rate increases, AEGIS has demonstrated its ability to maintain its current base of insureds and to attract some new members through its strong market presence and the offering of additional products. AEGIS takes strong underwriting and rating actions with members that have generated substantial loss experience.

Investment Results

The company's investment performance has also significantly contributed to operating performance despite the historically low-interest-rate environment. AEGIS's investment yield was an annual average of 2% over the last 10 years with a standard deviation under 1%. AEGIS' investment yield was 1.4% in 2021. Approximately 31% of AEGIS' fixed income investments are categorized as held-to-maturity at December 31, 2021. AEGIS has a relatively long claim tail and therefore has a long investment horizon compared to peer companies.

Invested asset allocations at year-end 2021 were approximately 66.8% fixed income, 13.3% equities and mutual fund investments, 3.8% mortgage loans and other assets, 11.8% cash, and 4.2% other. The fixed-income holdings are comprised primarily of high-quality corporate bonds, mortgage-backed securities and some high-yield securities.

The company places considerable emphasis on generating an optimum investment return while preserving capital and maintaining sufficient liquidity to meet ongoing claims and operating expenses. The overall goal is to provide an efficient utilization of funds that effectively generates sufficient additional earnings to stabilize the costs of insurance for its members. As such, AEGIS is a conservative, highly diversified, total-return-oriented investor. It works closely with the audit and finance committee of the board of directors and its investment advisors to develop asset allocation strategies which are expected to produce superior returns at an acceptable level of risk.



Operating Performance (Continued...)

At year-end 2021, the fixed-income portfolio consisted high quality debentures with an A+ average credit rating and a 1.4 year duration.

Financial Performance Summary	2021 USD (000)	2020 USD (000)	2019 USD (000)	2018 USD (000)	2017 USD (000)
Pre-Tax Income	286,310	140,654	144,418	126,306	159,777
Net Income (after Non-Controlling Interests)	229,784	112,267	117,935	100,107	132,727

Source: BestLink® - Best's Financial Suite

Operating and Performance Ratios (%)	2021	2020	2019	2018	2017
Overall Performance:					
Return on Assets	2.5	1.4	1.6	1.5	2.1
Return on Capital and Surplus	11.5	6.1	6.9	6.3	8.9
Non-Life Performance:					
Loss and LAE Ratio	65.9	65.6	70.3	61.9	66.7
Expense Ratio	24.7	23.2	25.6	26.2	23.9
Combined Ratio	90.6	88.7	95.9	88.1	90.5

Source: BestLink® - Best's Financial Suite

Business Profile

As a mutual insurer, AEGIS's primary purpose is to provide liability and property insurance coverage for policyholder-owner members in the electric and gas utility and related energy industries. The company's core lines of business are excess liability, D&O, excess workers' compensation and property. It also provides cyber and contingent generation outage coverage, as well as a full line of integrated financial products.

AEGIS writes excess general liability coverage on a claims-first-made basis, to which employers' liability coverages can be added. The company also writes directors' and officers' liability, professional liability and fiduciary and employee benefits liability coverages on a claims-first-made basis and excess workers' compensation coverage on an occurrence basis.

AEGIS's operations in the United States are supported by its wholly owned subsidiary, AEGIS Insurance Services, Inc., which provides AEGIS and its affiliates professional staff and services.

In 1999, AEGIS formed Lloyd's Syndicate 1225, known as AEGIS London, which writes most of AEGIS' international business. AEGIS London provides an array of energy and non-energy coverages which helps to reduce the volatility of the overall underwriting results of AEGIS.

AEGIS has historically formed strategic alliances with other insurance carriers to serve members' needs for admitted paper and primary coverages. AEGIS supports these alliances by reinsuring the carrier. These coverages provide primary commercial general liability, commercial automobile and workers' compensation coverages, excess workers' compensation coverage in certain jurisdictions, and umbrella coverages that are issued to utilities and other energy-related businesses.

AEGIS benefits from specialized expertise in providing a variety of liability and property coverages and risk management services to utilities and related energy companies. This strategy has brought significant surplus growth while retaining virtually all of the original core membership.

Insureds who do not purchase the core excess liability or D&O products receive the full support of AEGIS, but are not members of the company, do not vote on AEGIS matters, and do not participate in its member continuity credit benefits. The company offers separate premium credit programs for those policyholders that participate in some of these programs.

Enterprise Risk Management

AEGIS has an enterprise risk management (ERM) program and a strategic planning process to improve the quality of operational decision-making. Its long-term goal is to serve the energy industry by providing consistently superior insurance and risk management products and services, through a secure and stable company, enabling members to achieve the lowest overall long-term cost of risk.

Enterprise Risk Management (Continued...)

Management asserts that a well-developed ERM program allows AEGIS to better navigate fluctuating market conditions and provide a more stable insurance platform for its members.

The company has an enterprise risk management committee that is comprised of senior officers and meets at least quarterly. The committee reports to the CEO and is chaired by the Chief Risk Officer. The committee's primary functions are to identify, assess, monitor and report on material and relevant risks to support risk and capital decisions. The company's enterprise risk management activities are communicated to the board of directors as well as to internal and external stakeholders. The company uses various metrics and tools including Risk Appetites, Risk Limits and Capital Modeling to help maintain appropriate risk tolerances and awareness. The company has historically defined its group risk appetite to be a 99.6% probability of not reducing surplus by greater than 30% in any one year. This is based on a composite view of all relevant risks including underwriting, investments, reserve, and operational risk.

AEGIS provides, directly and through alliances and affiliates, a broad array of liability and property insurance coverages to the energy industry. As such, it is exposed to industry catastrophe events such as gas explosions, wildfires, hurricanes, earthquakes, floods and other perils. While the company maintains a solid reinsurance program and is not highly dependent on the use of reinsurance to manage its book of business, it regularly performs extensive modeling in conjunction with its external actuaries to assess exposure to hurricane, earthquake, wind and other perils. AEGIS assesses the reinsurance structures and limits that are most responsive to the company's value-at-risk/tolerance levels. Decision points are analyzed using metrics such as the corporate risk tolerance, examination of 1-in-100-year and 1-in-250-year events, reinsurance efficiency, capital adequacy, and volatility.

Insurance companies in Bermuda are supervised by the Bermuda Monetary Authority. Bermuda companies fall into two principal categories: companies incorporated by Bermudians to trade primarily in Bermuda (must be at least 60% owned by Bermudians) and companies incorporated by non-Bermudians for the purpose of conducting business outside Bermuda (known as exempted companies). AEGIS is an exempted company in Bermuda and is therefore exempted from those provisions of Bermuda law which stipulate that at least 60% of its equity must be beneficially owned by Bermudians.

In Bermuda, there are no taxes on profits, income or dividends, nor is there any capital gains tax, estate duty or death duty. Profits can be accumulated and it is not obligatory to pay dividends. The only 'tax' imposed on an exempted company such as AEGIS is an annual government fee, which is dependent upon the level of authorized capital, payable in January of each year. Under the Insurance Act 1978, AEGIS is also required to pay an annual insurance license fee by 31st March each year.

The Bermuda Government has enacted The Exempted Undertakings Tax Protection Act 1966, as amended, under which the Minister is authorized to give an assurance to an exempted company that "in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, then the imposition of any such tax shall not be applicable to such entities or any of their operations" until March 18, 2016. AEGIS received such assurance by letter dated 2 November 1987. In accordance with the Exempted Undertakings Tax Protection Amendment Act 2011, this assurance was extended until March 31, 2035.

In 1983, AEGIS elected to be taxed as a United States corporation and has since filed U.S. federal income tax returns.

Reinsurance Summary

AEGIS purchases reinsurance protection to minimize volatility, protect surplus and lower the overall cost of risk for the membership.

The major reinsurance treaties include casualty aggregate excess of loss, casualty per policy excess of loss, terrorism aggregate, cyber quota share and property quota share, property per risk excess of loss, property catastrophe, property consortium and generation outage.

For the casualty per policy program, AEGIS purchases cover for 100% cession of USD 30 million in excess of USD 5 million per loss/per policy. Additional coverage features include an annual aggregate deductible of USD 150 million. AEGIS purchases cover for a 67% cession of USD 15 million in excess of USD 35 million per loss/per policy. The major reinsurers are Everest, Odyssey, Allied World, SCOR, and General Re.

AEGIS purchases casualty aggregate excess of loss coverage for frequency protection of the first USD 5 million retention on each policy. AEGIS purchases a 100% cession of USD 100 million in excess of USD 250 million. The major reinsurers are Everest, Argenta, Hannover Re, Lancashire and SCOR.

Enterprise Risk Management (Continued...)

AEGIS purchases power generation outage coverage of an 80% quota share of up to USD 50 million. AEGIS also purchases an aggregate excess of loss for USD 7 million in excess of USD 3.4 million aggregate excess of loss. The major reinsurers are Hannover Re, Renaissance Re, Validus, and SCOR.

The property line has a net and treaty maximum for any one risk of USD 300 million. The company purchases a 50% property quota share on the first USD 30 million and an excess of loss treaty for USD 270 million in excess of USD 30 million. The property quota share has an occurrence limit of 50% USD of 300 million and inures to the Mutual's catastrophe tower of USD 150 million in excess of USD 30 million. The top layer of USD 40 million is shared with AEGIS London and is in excess of USD 150 million (AEGIS) and USD 140 million (AEGIS London). Major reinsurers are Kiln, Everest, Hannover Re, SCOR and Amlin.

AEGIS can offer additional property capacity of up to USD 205 million through its Property Consortium. The Consortium is structured as a nonobligatory automatic reinsurance facility where AEGIS can assign participation to partners and reinsurers. Major reinsurers include General Re, SCOR, Renaissance Re, Arch Re and Ascot.

Terrorism is covered in the property and casualty reinsurance treaties subject to specific sublimits with the net for all lines protected by a specific Terrorism Aggregate of USD 75 million in excess of USD 5 million.

The maximum cyber limit offered by AEGIS on a net and treaty basis is USD 80 million which is protected by a 90% quota share for the first USD 55 million and a surplus share of USD 25 million part of USD 80 million with no occurrence limitations. The major reinsurers are Tokio Marine HCC, Ren Re, and Hannover Re.

Environmental, Social & Governance

As a group captive of the utility industry AEGIS is committed to assisting its members in the transition to more renewable sources of energy. As the market continues a gradual shift towards renewable energy, AEGIS works to capitalize on the market changes and meeting the insurance needs of its member companies. Wind and solar coverage have been growing portions of premium generation while coal has been in decline.



Financial Statements

	12/31/2021		12/31/2020
	USD (000)	%	USD (000)
Balance Sheet			
Cash and Short Term Investments	637,953	6.8	513,791
Bonds	3,952,107	41.9	3,835,652
Equity Securities	492,471	5.2	399,874
Other Invested Assets	437,335	4.6	486,320
Total Cash and Invested Assets	5,519,866	58.5	5,235,637
Reinsurers' Share of Reserves	2,653,906	28.1	2,346,528
Debtors / Amounts Receivable	715,665	7.6	531,411
Other Assets	550,599	5.8	516,051
Total Assets	9,440,036	100.0	8,629,627
Gross Technical Reserves:			
Unearned Premiums	1,289,512	13.7	1,167,066
Non-Life Reserves	4,863,806	51.5	4,351,822
Total Gross Technical Reserves	6,153,318	65.2	5,518,888
Other Liabilities	1,179,327	12.5	1,210,505
Total Liabilities	7,332,645	77.7	6,729,393
Retained Earnings	2,086,538	22.1	1,858,570
Other Capital and Surplus	20,853	0.2	41,664
Total Capital and Surplus	2,107,391	22.3	1,900,234
Total Liabilities, Mezzanine Items and Surplus	9,440,036	100.0	8,629,627

Source: BestLink® - Best's Financial Suite

				12/31/2021	12/31/2020
	Non-Life	Life	Other	Total	Total
	USD (000)	USD (000)	USD (000)	USD (000)	USD (000)
Income Statement					
Gross premiums written	2,377,763	...	...	2,377,763	2,092,383
Net Premiums Earned	1,403,317	...	...	1,403,317	1,213,640
Net Investment Income	...	...	73,617	73,617	100,950
Net realized gains/(losses)	...	...	45,479	45,479	13
Net unrealized gains/(losses)	...	...	48,396	48,396	14,236
Non-operating revenue	...	...	54,296	54,296	...
Total Revenue	1,403,317	...	221,788	1,625,105	1,328,839
Losses and Benefits	925,254	...	...	925,254	795,950
Net Operating Expense	345,941	...	67,600	413,541	344,351
Other Expense	...	...	...	...	47,884
Total Losses, Benefits, and Expenses	1,271,195	...	67,600	1,338,795	1,188,185
Earnings before interest & taxes (EBIT)	132,122	...	154,188	286,310	140,654
Income Taxes Incurred	...	...	...	56,526	28,387
Net income before Non-Controlling interests	...	...	...	229,784	112,267
Net income/(loss) from continuing operations	...	...	...	229,784	112,267
Net Income	...	...	...	229,784	112,267

Source: BestLink® - Best's Financial Suite



	12/31/2021	12/31/2020
	USD (000)	USD (000)
Statement of Cash Flows		
Net cash provided/(used) in Operating Activities	325,481	429,895
Net cash provided/(used) in Investing Activities	-201,686	-307,929
Effect of Exchange Rates/Discontinued Operations on Cash	367	2,351
Total increase (decrease) in cash	124,162	124,317
Cash, beginning balance	513,791	389,474
Cash, ending balance	637,953	513,791

Source: BestLink® - Best's Financial Suite

Related Methodology and Criteria

[Alternative Risk Transfer \(ART\), 10/13/2017](#)

[Best's Credit Rating Methodology, 11/13/2020](#)

[Catastrophe Analysis in A.M. Best Ratings, 10/13/2017](#)

[Available Capital & Holding Company Analysis, 10/13/2017](#)

[Scoring and Assessing Innovation, 03/05/2020](#)

[The Treatment of Terrorism Risk in the Rating Evaluation, 05/26/2022](#)

[Understanding Global BCAR, 06/30/2022](#)

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

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