



AM Best Affirms Credit Ratings of Pozavarovalnica Sava d.d.

CONTACTS:

Victoria Ohorodnyk Senior Financial Analyst +31 20 308 5432 victoria.ohorodnyk@ambest.com	Christopher Sharkey Manager, Public Relations +1 908 439 2200, ext. 5159 christopher.sharkey@ambest.com
--	--

Michael Dunckley, CFA Associate Director, Analytics +31 20 308 5422 michael.dunckley@ambest.com	Jim Peavy Director, Public Relations +1 908 439 2200, ext. 5644 james.peavy@ambest.com
--	---

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
083847	Pozavarovalnica Sava d.d.
083846	Pozavarovalnica Sava d.d.

FOR IMMEDIATE RELEASE

AMSTERDAM - OCTOBER 17, 2019

AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a" of Pozavarovalnica Sava d.d. (Sava Re) (Slovenia), the operating holding company of the Sava Re group. The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Sava Re'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 (ERM).

Sava Re's strongest level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR), liquid investment portfolio, prudent reserving and good internal capital generation collectively contribute to an overall balance sheet assessment of very strong. Additionally, the company exhibits low reliance on reinsurance and sound financial flexibility, with access to equity and debt markets. AM Best expects the company's balance sheet to remain very strong in the medium term.

Sava Re has a track record of generating strong and stable operating results, indicated by a five-year (2014-2018) weighted average return on equity of 11.7% (as calculated by AM Best). Consistent operating profits over the past five years have been driven by sound life and non-life underwriting performance, supplement by healthy investment income. At year-end 2018, the company reported a combined ratio of 92.4% with a five-year average combined ratio 93.9% (as calculated by AM Best). The group originates a material proportion of its non-life business in Slovenia, where its leading competitive position and prudent underwriting enable it to generate strong and relatively stable

underwriting earnings. AM Best expects Sava Re's operating performance to remain strong over the medium term, supported by disciplined underwriting and good risk selection.

The Sava Re group is one of the largest insurance groups in southeast Europe, consisting of insurance, reinsurance and non-insurance subsidiaries. At year-end 2018, the company's gross written premium split was 84% and 16% insurance and reinsurance, respectively.

Sava Re benefits from a strong position in its core market of Slovenia, where it had a 16% market share in terms of gross written premiums in 2018. The group's insurance business continues to be dominated by premiums written in Slovenia; however, the company has been actively expanding in the West Balkan markets, as evidenced by recent acquisitions. AM Best expects to see further geographical diversification in the medium term in the direct and reinsurance segments, as the group continues to prudently develop its position in the international reinsurance market.

Sava Re's ERM is considered to be developed and appropriate for the company's risk profile and operational scope.

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.

AM Best is a global rating agency and information provider with an exclusive focus on the insurance industry.



Copyright © 2019 A.M. Best Company, Inc. and/or its affiliates ALL RIGHTS RESERVED

No part of this report may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of A.M. Best. Refer to our [terms of use](#) for additional details.