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* Asterisks denote mandatory information

Name of Announcer *	SINGAPORE REINSURANCE COR LTD
Company Registration No.	197300016C
Announcement submitted on behalf of	SINGAPORE REINSURANCE COR LTD
Announcement is submitted with respect to *	SINGAPORE REINSURANCE COR LTD
Announcement is submitted by *	THERESA WEE SUI LING
Designation *	CHIEF GENERAL MANAGER (CORE OPERATIONS)/PRINCIPAL OFFICER
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Announcement Title *

A.M. BEST RATING

Description

Singapore Reinsurance Corporation Limited ("the Company") has maintained its financial strength rating of A- (Excellent) and the issuer credit rating of "a-" with a stable outlook by A.M. Best Co., the world's oldest and most authoritative source of insurance company ratings and information. Its Best's Ratings are the industry's standard measure of insurer financial performance.

The Company's current rating reflects its superior risk-adjusted capitalization level, stable investment income and favorable underwriting result of bilateral cessions.

We do not envisage the rating to have a material impact on the conduct of the Company's business nor is it expected to have a material impact on the earnings per share and net tangible assets per share of the Company.

The full text as released by A.M. Best is attached and is made public through our website at www.singre.com.sg.

Attachments: [SingaporeRe-AMBest2007.pdf](#)

Total size = **38K**
(2048K size limit recommended)

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

CONTACTS: Analysts

Billy Kwan

+852-2827-3405

billy.kwan@ambest.com

Moungmo Lee

+852-2827-3402

moungmo.lee@ambest.com

Public Relations

Jim Peavy

+(1) 908 439 2200, ext. 5644

james.peavy@ambest.com

Rachelle Morrow

+(1) 908 439 2200, ext. 5378

rachelle.morrow@ambest.com

A.M. Best Affirms Ratings of Singapore Reinsurance Corporation Limited

OLDWICK, NEW JERSEY, U.S.A., Nov. 20, 2007—A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and the issuer credit rating of “a-” of **Singapore Reinsurance Corporation Limited**. (Singapore Re) (Singapore). The outlook for both ratings is stable.

The ratings reflect Singapore Re’s superior risk-adjusted capitalization level, stable investment income and favorable underwriting result of bilateral cessions.

Singapore Re’s risk-adjusted capitalization level is superior, as measured by Best’s Capital Adequacy Ratio (BCAR), and is more than sufficient to support its current ratings as well as its estimated premium level for 2007. Singapore Re’s high local capital adequacy ratio of 404% further demonstrates the cushion that exists.

Singapore Re invested 76% of its total invested assets in bonds and cash. This conservative investment portfolio provided a stable investment income and a bottom line profit for the company. The net investment income contributed to over 90% of Singapore Re’s overall net income in 2005 and 2006.

The company recorded a favorable underwriting result of its bilateral cessions business in 2006. The loss ratio of this business was lower than the company’s overall loss ratio in both 2006 and 2005. A.M. Best believes that Singapore Re can maintain this favorable result in coming

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years, given its well-established presence within the Singapore insurance market.

Offsetting factors include the company's high expense ratio and intensified market competition.

Singapore Re's expense ratio deteriorated to 53% in 2005 from 34% in 2004 and remained at a high level of 52% in 2006, due mainly to the increase in net commission expense. Singapore Re's net commission ratio (net commission expense/net premium written) was relatively high compared to its peers in Asia. The high net commission ratio was attributable mainly to the higher profit commissions paid to cedants (particularly for Bilateral Cessions).

In recent years, many reinsurance companies in Asia increased their underwriting capacity and expanded into overseas markets, thereby increasing direct competition in markets which Singapore Re operates.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit www.ambest.com.

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