

## Research Update

# Tokio Marine Nawa Insurance Co. Ltd. 'twAAA' Ratings Affirmed; Outlook Stable

September 6, 2019

## Overview

- We believe Tokio Marine Nawa has a strong competitive position, reflecting its satisfactory underwriting performance and operating efficiency.
- Tokio Marine Nawa has very strong capital and earnings which can serve as a strong buffer to absorb underwriting and investment volatility, given the insurer's established risk control framework.
- We are affirming our 'twAAA' long-term financial strength and issuer credit ratings on Tokio Marine Nawa.
- The stable outlook reflects our view that Tokio Marine Nawa will uphold its satisfactory underwriting performance as well as its solid capital buffer over the next one to two years. We also expect the company to retain its strategically important role in the wider Tokio Marine group over the same period.

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term financial strength and issuer credit ratings on Taiwan-domiciled **Tokio Marine Nawa Insurance Co. Ltd.** The outlook is stable.

## Outlook

The stable outlook reflects our view that Tokio Marine Nawa's good control over its distribution channels and prudent underwriting controls will allow it to uphold satisfactory underwriting performance in 2019-2020. The insurer's prudent risk-tolerance policies should allow it to maintain a sufficient capital buffer with our assessment of excellent capital adequacy. We also expect the insurer to remain a strategically important entity to the wider parent group in 2019-2020.

### Downward scenario

We may lower the ratings on Tokio Marine Nawa if the credit profile of the wider Tokio Marine group weakens substantially.

## Rationale

The ratings on Tokio Marine Nawa reflect the insurer's strong competitive position and very strong capital and earnings. Tokio Marine Nawa's underwriting performance has been consistently better than the industry average over the past five years. In addition, the ratings reflect Tokio Marine Nawa's strategically important role within the parent Tokio Marine group. The insurer also benefits from its

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connection with the parent group in terms of brand image, technical support, and risk-management culture.

## Ratings Score Snapshot

<b>Business Risk Profile</b>	<b>Strong</b>
Competitive position	Strong
IICRA	Intermediate
<b>Financial Risk Profile</b>	<b>Very Strong</b>
Capital and earnings	Very Strong
Risk exposure	Moderately Low
Funding structure I	Neutral
<b>Modifiers</b>	
Governance	Neutral
Liquidity I	Adequate
<b>Financial Strength Rating</b>	<b>twAAA</b>

## Related Criteria

- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Insurers Rating Methodology - July 01, 2019
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model - June 07, 2010
- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com](http://www.taiwanratings.com) - June 26, 2018
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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## Ratings List

### Ratings Affirmed

#### Tokio Marine Nawa Insurance Co. Ltd.

Issuer Credit Rating	twAAA/Stable
Financial Strength Rating	twAAA/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.taiwanratings.com](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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