

Media Release:

Tokio Marine Newa Insurance Ratings Affirmed At 'twAAA'; Outlook Stable

April 29, 2020

Overview

- S&P Global Ratings has revised its outlook on core subsidiaries of Japan-domiciled Tokio Marine Group to stable from positive and affirmed the ratings.
- We view this outlook revision has no impact on the outlook on Taiwan-domiciled TM Newa, reflecting the insurer's solid capitalization and franchise.
- We are therefore affirming our long-term issuer credit rating and financial strength rating on TM Newa at 'twAAA'. The outlook on the ratings is stable.

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term issuer credit rating and financial strength rating on **Tokio Marine Newa Insurance Co. Ltd.** (TM Newa). The outlook on the ratings is stable.

Rationale

We believe the outlook revision by S&P Global Ratings on the core subsidiaries of the Tokio Marine Group has no impact on our outlook on Taiwan-domiciled TM Newa, which already has a stable rating outlook.

The rating affirmation continues to reflect our view of TM Newa's good control over its distribution channels, prudent underwriting performance with satisfactory operating efficiency, and well-established risk management framework that enables it to maintain a disciplined investment strategy and uphold a very strong capital and earning level. The ratings also reflect our view that TM Newa's credit profile remains commensurate with other local peers rated 'twAAA'.

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Outlook

The stable outlook reflects our view that TM Nawa will maintain good control over its distribution channels, satisfying operating efficiency and prudent underwriting performance over the next one to two years. We also expect the insurer's prudent risk-tolerance policies to help support a sufficient capital buffer, given our assessment of the insurer's excellent capital adequacy. In addition, we expect TM Nawa to remain a strategically important entity to the wider parent group over the same period.

Downward scenario

We may lower the rating on TM Nawa if the parent group's capital deteriorates significantly with little prospect of recovery within two years. This could occur in the event of large losses from natural disasters or a prolonged global financial crisis.

Related Criteria & Research

Related Criteria

- 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
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- General Criteria: Group Rating Methodology - July 01, 2019
- Understanding Taiwan Ratings' Rating Definitions - June 26, 2018

Related Research

- Tokio Marine Outlook Revised Down To Stable, Japan Non-Life Insurance Group Ratings Affirmed Amid COVID-19 Volatility - April 24, 2020

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Ratings Affirmed; Outlook

Tokio Marine Nawa Insurance Co. Ltd.

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

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