



Press Release - OCTOBER 19, 2018

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A.M. Best Affirms Credit Ratings of European Liability Insurance for the Nuclear Industry

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AMB#	Company Name
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FOR IMMEDIATE RELEASE

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A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of "a-" of European Liability Insurance for the Nuclear Industry (Elini) (Belgium). The outlook of these Credit Ratings (ratings) remains stable.

The ratings reflect Elini's balance sheet strength, which A.M. Best categorises as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management. Elini is a mutual insurer writing third-party liability business in the nuclear energy sector.

The mutual's balance sheet strength is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), taking into account the mutual's ability to make supplementary capital calls to its members. In the unlikely event of a full limit loss, there would be a material depletion of capital due to the large gross and net line size offered by Elini to its members relative to its capital base. However, it would be able to quickly restore its capital position due to its contractual right to call retrospective premium for twenty times each member's annualised premium contribution.

Elini has a track record of good earnings generation, demonstrated by a five-year weighted average operating ratio of 25%. A.M. Best expects Elini's prospective performance to remain strong and similar to historical levels in the absence of a large nuclear liability loss.

Elini has a developing profile in the specialist nuclear energy sector. Gross premium income has grown rapidly over the past five years (2013-2017), supported by strong demand for third-party liability cover and demonstrated by a compounded average growth rate of 19%. The mutual's competitive offering is enhanced by its provision of loss prevention services to its members. A partially offsetting rating factor is the high-risk profile of its underwritten risks, which is somewhat moderated by good geographical diversification.

This press release relates to Credit Ratings that have been published on A.M. 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 A.M. 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

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