



PRESS RELEASE

A.M Best Assigns Ratings to Aurigen Reinsurance Company and Aurigen Reinsurance Limited

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A.M Best Co. has assigned a financial strength rating (FSR) of A- (Excellent) and issuer credit ratings (ICR) of “a-“ to Aurigen Reinsurance Company (Toronto, Ontario) and Aurigen Reinsurance Limited (Hamilton, Bermuda). The outlook for all ratings is stable.

The ratings are based upon the start-up nature of the operation, which is focused on the Canadian life reinsurance marketplace. In recent years, the Canadian life reinsurance market has been relatively stable and demonstrative of a reasonable pricing environment and moderate growth. However, during the same period, the market has become increasingly concentrated. Accordingly, A.M. Best views Aurigen’s business model favourably. Aurigen’s near to medium-term focus is to develop a global life reinsurance franchise through an extension of its business from a Canadian starting point with an emphasis on traditional life business. This is expected to be accomplished through leveraging management’s underwriting and operational strengths and competencies and its prior business practices to meet its profit objectives. In addition, A.M. Best expects that the Canadian market will be receptive to the additional capacity that will be introduced through a new reinsurer.

Offsetting factors include the uncertainties surrounding the successful execution of Aurigen’s business plan as well as its lack of operating history. Although A.M. Best believes Aurigen has sufficient capital to achieve its objectives over the medium term, the company may potentially need to reach out to the capital markets or have an initial public offering to raise capital if growth outpaces projected levels.

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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