



Press Release - JUNE 01, 2018

[Print This Page](#)

A.M. Best Withdraws Credit Ratings of Standard Insurance Company JSC

CONTACTS:

Laura Balkarova Associate Financial Analyst +44 20 7626 6264 laura.balkarova@ambest.com	Christopher Sharkey Manager, Public Relations +1 908 439 2200, ext. 5159 christopher.sharkey@ambest.com
--	--

Mathilde Jakobsen Director, Analytics +44 20 7397 0266 mathilde.jakobsen@ambest.com	Jim Peavy Director, Public Relations +1 908 439 2200, ext. 5644 james.peavy@ambest.com
--	---

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB# Company Name

092572	Alliance Policy Insurance Co, JSC
093079	Standard Insurance Company JSC

FOR IMMEDIATE RELEASE

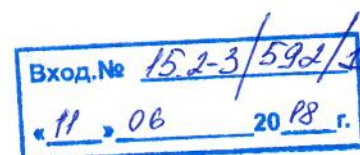
LONDON - JUNE 01, 2018

A.M. Best has affirmed the Financial Strength Rating of C++ (Marginal) and the Long-Term Issuer Credit Rating of "b+" of **Standard Insurance Company JSC** (Standard) (Kazakhstan). The outlook of these Credit Ratings (ratings) remains stable.

Concurrently, A.M. Best has withdrawn the ratings as the company has requested to no longer participate in A.M. Best's interactive rating process.

The ratings reflect Standard's balance sheet strength, which A.M. Best categorises as strong, as well as its marginal operating performance, very limited business profile and weak enterprise risk management.

Standard's balance sheet strength is underpinned by its risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio, being at the strongest level. The company's risk-adjusted capitalisation improved in 2017, due to a reduction in underwriting risk following the non-renewal of a significant part of the insurance portfolio of **Alliance Policy Insurance Company JSC**, which was absorbed by the company in the previous year. Factors that negatively affect the balance sheet strength assessment are the company's weak financial flexibility, questions over its ability to manage its catastrophe exposure, as well as its elevated investment risk profile, due to the high financial system risk in Kazakhstan. As at May 1, 2018, the company's regulatory solvency margin reached 1.89 (compared with a minimum requirement of 1.00).



Standard's performance has been volatile, with its return on equity ranging between -3.1% and 20.4% over the 2013-2017 period. Technical performance is weak, with losses reported in each of the past six years, apart from 2016. The company has a five-year weighted average combined ratio of 106.9% (2013–2017). In 2017, the company reported a combined ratio of 107.9% (2016: 94.3%), with performance impacted by the reduction in premium income and a high level of expenses.

Standard ranked as the 11th largest among Kazakhstan's 25 non-life insurers in 2017 with a 3% market share. The company's top line has fluctuated in recent years, as a 93.8% increase in gross written premium for 2016 was followed by a decline of approximately 23% in 2017, due to the non-renewal of a material part of the recently absorbed business and a number of large fronted contracts. A.M. Best expects a further decline in 2018. The company's underwriting portfolio is concentrated, with approximately 60% of its net written premium in 2017 derived from compulsory motor third-party liability (MTPL) business. A.M. Best expects the company's relatively small size and limited diversification to limit its ability to defend its market position in challenging conditions.

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 information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases.

A.M. Best is the world's oldest and most authoritative insurance rating and information source.



Copyright © 2018 A.M. Best Company, Inc. and/or its affiliates ALL RIGHTS RESERVED

No part of this report may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of A.M. Best. Refer to our [terms of use](#) for additional details.