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FOR IMMEDIATE RELEASE

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AM Best Revises Issuer Credit Rating Outlook to Positive for Berkley International Seguros Mexico S.A.

MEXICO CITY, June 6, 2024—AM Best has revised the outlook to positive from stable for the Long-Term Issuer Credit Rating (Long-Term ICR) and affirmed the Financial Strength Rating (FSR) of A+ (Superior), the Long-Term ICR of “aa-” (Superior) and the Mexico National Scale Rating (NSR) of “aaa.MX” (Exceptional) of Berkley International Seguros Mexico S.A. (BSM) (Mexico City, Mexico). The outlook of the FSR and NSR is stable.

BSM is a member of W. R. Berkley Insurance Group (Berkley Group), which on a consolidated basis has a balance sheet strength that AM Best assesses at the strongest level, as well as strong operating performance, a favorable business profile and appropriate enterprise risk management (ERM).

The Credit Ratings (ratings) reflect BSM’s substantial reinsurance support from its group through the Berkley Insurance Company. Additionally, the ratings factor in BSM’s integration with its parent company, W. R. Berkley Corporation (W. R. Berkley), in terms of underwriting, ERM and capital commitments.

BSM was formed in November 2016, and is the Mexico subsidiary of W. R. Berkley; the company received regulatory approval for operations in June 2017 and issued its first policy in July of that year. The company offers a diversified slate of property/casualty products mainly backed up by treaty and facultative reinsurance contracts with its parent company.

BSM’s strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio

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(BCAR), is derived from its strong capital position, further strengthened by the 95/5 percent quota share and excess of loss contracts provided by its parent. Furthermore, AM Best recognizes W. R. Berkley’s commitment to its subsidiaries through additional capital fungibility to the Mexico operation.

BSM has been able to grow its business volume during the past seven years. BSM’s management and underwriting team have successfully navigated changes in the market’s economic dynamics in recent years. The company continues to take advantage of the reinsurance support received from the Berkley Group, which allowed BSM to generate positive bottom line results in 2023; this marked the fourth time since BSM began operations and was underpinned by premium sufficiency and further strengthened by investment income.

If positive rating actions are taken due to the Berkley Group’s operating performance showing continued and sustained outperformance of the “strong” composite and peer benchmarks, BSM’s ratings would mirror those actions.

Negative rating actions could occur to the insurance operations of the Berkley Group if the financial position of the ultimate parent were to weaken, requiring the withdrawal of capital from the various insurance companies or an increase in financial leverage and/or a decline in interest coverage that is not supportive of the current ratings, BSM’s ratings would reflect those actions.

The methodology used in determining these ratings is [Best’s Credit Rating Methodology](#) (Version Jan. 18, 2024), which provides a comprehensive explanation of AM Best’s rating process and contains the different rating criteria employed in the rating process. Best’s Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

Key insurance criteria reports utilized:

- The Treatment of Terrorism Risk in the Rating Evaluation (Version May 23, 2024)
- Evaluating Country Risk (Version May 4, 2023)

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- Understanding Global BCAR (Version March 7, 2024)
- Catastrophe Analysis in AM Best Ratings (Version Feb. 8, 2024)
- Available Capital and Insurance Holding Company Analysis (Version Jan. 18, 2024)
- Best's National Scale Ratings (Version May 16, 2024)
- Scoring and Assessing Innovation (Version Feb. 27, 2023)

View a general description of the [policies and procedures](#) used to determine credit ratings. For information on the meaning of ratings, structure, voting and the committee process for determining the ratings and monitoring activities, relevant sources of information and the frequency for updating ratings, please refer to [Guide to Best's Credit Ratings](#).

- Previous Rating Date: June 1, 2023
- Initial Rating Date: Feb. 27, 2018
- Date Range of Financial Data Used: Dec. 31, 2018-Dec. 31, 2023
- This latest rating action is the result of an accepted appeal from W. R. Berkley Corporation (W. R. Berkley)

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

This press release relates to rating(s) that have been published on AM Best's website. For additional 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 AM Best's [Recent Rating Activity](#) web page.

If the ratings referred in this press release do not indicate a specific country suffix, it is understood that they are granted globally and not on a national scale.

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