

MEDIA RELEASE

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CariCRIS assigns “good creditworthiness” credit ratings for Premier Insurance Company Inc.

Caribbean Information and Credit Rating Services Limited (CariCRIS) has assigned initial corporate credit ratings of *gyA+* (Local Currency Rating) and *gyA* (Foreign Currency Rating) on the Guyana national scale to Premier Insurance Company Inc. These national scale ratings indicate that the level of creditworthiness of this obligor, adjudged in relation to other obligors in Guyana is **good**.

The ratings of Premier are driven by a good governance, risk, and compliance foundation which includes robust policies and procedures, sound and strict underwriting principles with state-of-the-art ICT systems and support. Additionally, Premier is currently in the advanced stages of preparation for IFRS 17 implementation. Also contributing to the ratings are good capitalization metrics supported by low-risk retention, significant quota share reinsurance capacity provided by S&P A-rated reinsurers, and its strong relationship with its parent company, TRINRE, a well-established player in the Trinidad & Tobago insurance industry. Premier also has a moderately diverse and growing investment portfolio, with good returns and liquidity. Further, the Company has reported profitable operations in its first year, supported by the robust growth environment in Guyana. These rating strengths are tempered by Premier being a new player in an early stage of its operations.

CariCRIS also assigned a **stable** outlook on the ratings. The stable outlook is based on our expectation that Premier will continue to be profitable over the next 12 to 15 months, and maintain all its key credit drivers including good capitalization and healthy liquidity metrics.

Rating Sensitivity Factors

Factors that could, individually or collectively, lead to an improvement in the ratings and/ or Outlook include:

- An improvement in CariCRIS’ internal credit rating of the Government of Guyana
- Sustained growth in PAT by >15% over the next 2 years without adversely impacting regulatory capital and asset quality

- An increase in the concentration of good quality, liquid fixed income instruments leading to improved asset risk
- Sustained growth in TNW by >15% over the next 2 years
- An improvement in the credit rating of TRINRE, Premier's parent company

Factors that could, individually or collectively, lead to a lowering of the ratings and/ or Outlook include:

- A lowering of CariCRIS' internal credit rating of the Government of Guyana
- A 2-notch deterioration of the credit rating of any of Premier's reinsurers by A.M. Best, Fitch Rating or Standard and Poor's Ratings Services
- Loss of relationship with any of the Company's reinsurers
- A deterioration in the Company's Minimum Capital and Solvency requirements below the quantities stipulated by the Bank of Guyana sustained for more than 6 months
- A 10% fall in gross premium income for 2 consecutive years
- A material deterioration in the Company's investment asset quality sustained for a period of 6 months
- A lowering of the credit rating of TRINRE, Premier's parent company

About the company:

Premier Insurance Company Inc. (Premier or the Company) is a wholly owned subsidiary of TRINRE Insurance Company Limited. Premier is a limited liability company that was incorporated on March 1, 2018 and is domiciled in the Republic of Guyana, with its head office in Georgetown. In February 2020, the Company obtained its license to sell all classes¹ of general insurance in Guyana and commenced operations on January 2, 2021. In September 2021, the Company established a branch office in Berbice (Region 6).

Premier offers a range of general insurance products and services including Commercial Insurance (liability, marine and property), Industrial Insurance (contractor's all risk and equipment all risk), Liability Insurance², Auto Insurance (comprehensive and third party) and Homeowners Insurance. Additionally, the Company offers a range of bonds to its customers including bid bonds, performance bonds, retention bonds, advanced mobilization bonds and customs bonds. For the year ended December 2021, the Company

¹ Class 1 – Accident and Liability; Class 2 – Auto; Class 3 – Marine and Aviation; and Class 4 - Fire.

² Includes: Public liability, professional indemnity, erection all risk, employer's liability, cash in transit/premises, burglary, plate glass, consequential loss, product liability, contractor's all risk, equipment all risk, fidelity guarantee, goods in transit and boiler.

reported a profit after tax (PAT) of GY \$73.2 million and as at December 2021, Premier's tangible assets totaled GY \$1.1 billion³.

Premier's parent, TRINRE, is a well-established *CariA* rated player in the insurance industry in Trinidad and Tobago. TRINRE offers a range of general insurance products and services that provide both individual and institutional coverage for Motor, Property, Marine, Public/Product Liability, Engineering, Energy, Events, Small and Medium Businesses and Workmen's Compensation. TRINRE also offers a range of Group Life insurance products for Employers and Lending Institutions and a range of Bonds to provide financial security for project contracts. TRINRE's credit rating was upgraded by CariCRIS in 2021 to *CariA* (Foreign and Local currencies) on the regional scale based on:

- (i) Considerably improved capitalization over the past year with an average growth rate of 16.4% over the past 3 years;
- (ii) Annual increases in profits over the past two years in excess of the 15% benchmark set by CariCRIS;
- (iii) Material reduction in the risk profile of its investment portfolio over the last 3 years;
- (iv) Significant enhancements to its Enterprise Information Systems leading to greater synergies and business management capabilities over the past 3 years; and
- (v) Diversification of income generation through the development of new revenue streams, including the successful establishment of operations in Guyana.

For the financial year ended March 2021, TRINRE recorded a Profit After Tax of TT \$20.9 million, and its total Financial Assets stood at TT \$142 million as at March 2021.

For more information on Premier Insurance Company Inc.'s ratings, please visit www.caricris.com or contact:

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³ 1 US Dollar = 207.98GY Dollars.

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