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AM Best Affirms Credit Ratings of Concert Insurance Group Members

OLDWICK, N.J., August 18, 2023—AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” (Excellent) of Concert Specialty Insurance Company (CSIC) (Helena, MN) and its wholly owned subsidiary, Concert Insurance Company (CIC) (Rolling Meadows, IL). The outlook of these Credit Ratings (ratings) is stable. Collectively, these companies operate under an inter-company pooling agreement and are referred to as Concert Insurance Group (Concert).

The ratings reflect Concert’s balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management (ERM).

The ratings consider Concert’s strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), which on a current and projected basis, is supportive of growth initiatives over the next several years. As a relatively new fronting organization, AM Best expects Concert to have high levels of third-party reinsurance and gross and ceded premium leverage, as well as high amounts of funds held, letters of credit and trusts to offset the credit risks. Therefore, across the first few years of executing on its business plan, Concert’s leverage ratios and reinsurance recoverable/surplus levels will be actively monitored to ensure they are appropriate for the group’s risk profile.

Concert’s operating performance assessment of adequate is based on management’s business plan and

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projections that are closely aligned with its overall strategy. AM Best anticipates that Concert’s operating earnings will scale as the group’s premium base expands over the next several years, consisting of a mix of fronting fees and investment income. Concert’s business profile, which is limited, is expected to broaden over time as the group expands its footprint. The ERM assessment of appropriate is based on Concert being directed and governed by leadership that has established a risk framework, risk appetite and risk tolerances. As is customary, AM Best will closely monitor Concert’s results relative to its business plans to ensure any deviations remain within the scope of the current rating assessments.

This press release relates to Credit Ratings that have been published on AM 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 AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).

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