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AM Best Affirms Credit Ratings of Accelerant Insurance Limited and Accelerant Specialty Insurance Company

LONDON, 1 February 2021—AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” of Accelerant Insurance Limited (AIL) (Malta) and Accelerant Specialty Insurance Company (ASIC) (Little Rock, AR). The companies are wholly owned subsidiaries of Accelerant Holdings (Accelerant) (Cayman Islands), the non-operating holding company of the Accelerant group. The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect the strategic importance of AIL and ASIC to the Accelerant group, along with Accelerant’s consolidated balance sheet strength, which AM Best categorises as very strong, as well as the group’s adequate operating performance, limited business profile and appropriate enterprise risk management.

The rating actions follow a change in the capital management strategy of the group and the decision to raise a further EUR 35 million of debt in order to support the capitalisation of new insurance carriers in Europe and the United States. Financial leverage and interest coverage are expected to remain supportive of the current rating assessment. Additional uncalled shareholder committed capital provides further comfort over the group’s ability to service its debt obligations over the longer term.

Accelerant, which has been in operation since January 2019, provides insurance capacity to managing general agents (MGA). The group also offers underwriting, claims handling and analytical support to MGAs. The

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group, which is backed by a EUR 200 million capital commitment from Altamont Capital Partners, a private equity firm, has established carriers in Europe and the United States as vehicles to retain insurance risk.

AM Best expects Accelerant to comfortably maintain the strongest level of risk-adjusted capitalisation over the longer term, as measured by Best's Capital Adequacy Ratio (BCAR), with retained earnings supporting business growth. The adequate operating performance assessment considers the group's five-year business plan, taking into account heightened execution risk during its start-up phase. The group has a senior management team in place that has extensive experience in working with MGAs and in the reinsurance industry. In AM Best's view, this increases the likelihood of market acceptance and successful execution of the group's business plan.

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 media use of Best's Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases](#).

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