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## FOR IMMEDIATE RELEASE

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### AM Best Affirms Credit Ratings of Convex Group Limited's Subsidiaries

**LONDON, 19 May 2022**—AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” (Excellent) of Convex Re Limited (CRL) (Bermuda), Convex Insurance UK Limited (CIL) (United Kingdom), Convex Europe S.A. (CES) (Luxembourg) and Convex Guernsey Limited (CGU) (Guernsey). All four entities are wholly owned subsidiaries of Convex Group Limited (Convex) (Bermuda), the non-operating holding company of the group. The outlook of these Credit Ratings (ratings) is positive.

The ratings reflect Convex's consolidated balance sheet strength, which AM Best assesses as very strong, as well as the group's adequate operating performance, limited business profile and appropriate enterprise risk management. The ratings factor in the strategic importance of CRL, CIL and CES to Convex, while CGU's ratings consider the significant reinsurance support it receives from CRL.

Convex has demonstrated good market acceptance since its inception in 2019, exceeding USD 2 billion of consolidated gross written premium in 2021, its second full year of operation. In addition, in the fourth quarter of 2020, it successfully raised an additional USD 1.5 billion of committed capital from new and existing investors, which brought the group's total committed capital to USD 3.2 billion. The positive outlooks reflect AM Best's expectation that Convex's underwriting portfolio will continue to grow and diversify in a profitable manner as the group develops its operations. This could lead to an improved business profile assessment.

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Convex's risk-adjusted capitalisation was comfortably at the strongest level at year-end 2021, as measured by Best's Capital Adequacy Ratio (BCAR), taking into account AM Best's additional capital requirements for new company formations. The group's balance sheet strength is supported by a conservative investment portfolio and good financial flexibility. A partially offsetting rating factor is Convex's material exposure to catastrophe risk and its dependence on reinsurance to manage this risk; however, this is partially mitigated by a reinsurance panel of excellent credit quality.

The adequate operating performance assessment considers Convex's current business plan, taking into account its competitive environment and heightened execution risk during the startup phase. Convex faces strong competition from well-established peers in its target markets and is highly reliant on brokers to access business. Nonetheless, the likelihood of successful execution of the business plan is enhanced by the strong track record of senior management and underwriters that have extensive experience in the (re)insurance industry and the group's demonstrated market acceptance to date.

**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](#).**

**AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.**

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