

Research Update:

Convex Re Ltd. 'A' Rating Affirmed On Announced New Ownership Structure; Outlook Stable

November 3, 2025

Overview

- Convex Group recently announced changes to its ownership. Onex Corporation (not rated) now holds a long-term interest in the group and AIG (financial strength rating: AA-/Stable) has taken a minority stake in Convex.
- These changes do not alter our view of Onex as a financial sponsor of Convex, and we therefore continue to base our ratings on Convex's stand-alone credit profile (SACP).
- We therefore affirmed our 'A' financial strength ratings on Convex Re Ltd. and its core operating entities Convex Insurance UK Ltd., Convex Guernsey Ltd., and Convex Europe S.A.
- At the same time, we assigned our 'BBB+' issuer credit rating to Bermuda-based Convex Group Ltd., which is the nonoperating holding company of Convex Re Ltd. and its other operating subsidiaries.
- The stable outlook on Convex Group Ltd. and its core operating entities reflects our expectation that the group will retain its competitive position, maintain its capital adequacy, and keep growing profitably.

Rating Action

On Nov. 3, 2025, S&P Global Ratings affirmed its 'A' financial strength ratings on the Convex group's operating companies: Convex Re Ltd., Convex Insurance UK Ltd., Convex Guernsey Ltd., and Convex Europe S.A. At the same time, we assigned our 'BBB+' issuer credit rating to holding company Convex Group Ltd. The outlook on the ratings is stable.

Rationale

The affirmation reflects our expectation that Convex will preserve its strong business risk profile and robust financial risk profile following its acquisition by Onex and AIG. Onex's holding in Convex will decrease to 63% from 96%, but ownership will move to the corporation level rather than via a fund. This reflects its long-term interest in Convex. At the same time, AIG will acquire a

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35% stake in Convex as an investment, and we do not foresee either investor influencing the group's independence.

We are likely to continue to regard parent company Onex as a financial sponsor, particularly given the nature of its investments as a private equity firm. This means that we are likely to continue basing our rating on Convex on its stand-alone credit characteristics, as it is run as an independent company.

The transaction remains subject to various conditions, particularly regulatory approvals, but is expected to be completed in the first half of 2026.

Convex Group Ltd. is the holding company for Convex Re Ltd., Convex Insurance UK Ltd., Convex Guernsey Ltd., and Convex Europe S.A., which are rated 'A/Stable'. The 'BBB+' rating on the holding company is two notches below the group credit profile, reflecting the structural subordination of the holding company's creditors to the core entity's policyholders. The nonoperating holding company is based in Bermuda, where we typically apply a two-notch reduction, as in Bermuda we consider potential regulatory restrictions on payments from operating companies to be low.

Outlook

The stable outlook reflects our expectation that Convex will maintain its strong competitive position, with sound underwriting and bottom-line profitability in line with our base case. We also anticipate capitalization with a material buffer above our highest confidence interval according to our capital model.

Downside scenario

We could take a negative rating action if:

- The resilience of Convex's capital adequacy to potential volatility weakened materially; for instance, if we thought that Convex could not sustainably maintain reasonable capital levels above our extreme stress benchmark (99.99% confidence level);
- The group's underwriting results deteriorated and were consistently below our expectations and worse than those of its peers; or
- We observed unexpected changes in Onex or AIG's involvement that could, for instance, weaken our view of governance or the group's financial risk profile.

Upside scenario

We regard the possibility of a positive rating action as remote over the next 24 months. Over the longer term, a positive action would require significant growth and diversification of Convex's book while operating performance remains strong or the group's strategic importance to AIG changes.

Rating Component Scores

Business Risk Profile	Strong
Competitive position	Strong
IICRA	Intermediate risk
Financial Risk Profile	Strong
Capital and earnings	Excellent
Risk exposure	High
Funding structure	Neutral
Anchor	a
Modifiers	
Governance	Neutral
Liquidity	Adequate
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	--
Foreign currency issuer credit rating	--

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Convex Re Ltd.](#), Oct. 22, 2025
- [Convex Group Entities Upgraded To 'A': Outlook Stable](#), June 25, 2025,

Ratings List

Ratings List

New Rating

[Convex Group Ltd.](#)

Issuer Credit Rating	BBB+/Stable/--
Foreign Currency	BBB+/Stable/--

Ratings Affirmed

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Ratings List

Convex Europe S.A.	
Convex Guernsey Ltd.	
Convex Insurance UK Ltd.	
Convex Re Ltd.	
Financial Strength Rating	
Local Currency	A/Stable/--

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