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AM Best Upgrades Credit Ratings of Members of Stonetrust Insurance Group

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AM Best has upgraded the Financial Strength Rating (FSR) to A- (Excellent) from B++ (Good) and the Long-Term Issuer Credit Ratings (Long-Term ICR) to “a-” (Excellent) from “bbb+” (Good) of Stonetrust Commercial Insurance Company and its reinsured subsidiary, Stonetrust Premier Casualty Insurance Company. The outlook of these Credit Ratings (ratings) has been revised to stable from positive. The companies are domiciled in Omaha, NE, and are known collectively as Stonetrust Insurance Group.

The ratings reflect Stonetrust Insurance Group’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 rating upgrades reflect sustained improvement in the group’s overall balance sheet strength. The group has maintained the strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), adhering to internal targets set by management. Furthermore, the surplus position has been enriched consistently by income derived from underwriting activities. Loss reserve development has been consistently favorable since management implemented more-robust guidelines regarding the carried position, as well as further emphasis put on its comprehensive claims closure strategy, which has materially reduced the number of open claims from older accident years. Partially offsetting these favorable attributes are elevated positions in more-volatile asset classes, marked by a common stock leverage that compares unfavorably with the composite average. However, management is expected to maintain close controls over the portfolio to mitigate potential volatility and actively monitor risk appetites and tolerances.

The group's adequate operating performance has benefited from profitability initiatives geared toward refining the classes of business written, as well as a commitment to safety and loss prevention strategies. The group's limited profile reflects its product and geographic concentration as a monoline workers' compensation writer primarily in a few key states. Nonetheless, the group continues to expand geographically in an effort to improve diversification. The group maintains an appropriate ERM program to mitigate risk exposure, which is overseen by an ERM steering committee.

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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