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Ratings

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Various Rating Actions Taken On South Africa-Based Insurers And Reinsurers Following The Sovereign Downgrade

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- On Dec. 2, 2016, we lowered the long-term local currency rating on South Africa to 'BBB' from 'BBB+', reflecting our view of the sovereign's weakening debt position, with fiscal financing needs increasing beyond our previous base-case expectations. Low GDP growth continues to affect the country's fiscal and economic performance. The outlook is negative.
- We think that economic conditions in South Africa have led to increased asset risk in domestic insurers' balance sheets due to their significant exposure to rand-denominated government bonds and/or other financial assets in the highly concentrated domestic market.
- We are therefore taking various rating actions on eight South Africa-based insurers and reinsurers, and lowering our ratings on some of the debt instruments issued by four of these insurers.

JOHANNESBURG (S&P Global Ratings) Dec. 12, 2016--S&P Global Ratings today took various rating actions on insurers and reinsurers exposed to the South African market.

We lowered our long-term counterparty credit and financial strength ratings to 'BBB' from 'BBB+' and affirmed our 'zaAAA' South Africa national scale ratings on the three entities listed below. The outlooks are negative.

- AIG South Africa Ltd. and AIG Life South Africa Ltd. (collectively, AIGSA).
- Allianz Global Corporate and Specialty South Africa Ltd. (AGCSSA).
- Santam Ltd.

We lowered our long-term counterparty credit and financial strength ratings on General Reinsurance Africa Ltd. (GRSA) to 'AA' from 'AA+'. The outlook is negative.

We placed on CreditWatch with negative implications our 'BBB+' long-term counterparty credit and financial strength ratings on Hannover Reinsurance Africa Ltd. and Hannover Life Reassurance Africa Ltd. (collectively, HRSA). At the same time, we affirmed our 'zaAAA' long-term South Africa national scale rating on HRSA.

We affirmed our 'zaAAA/zaA-1' long- and short-term South Africa national scale ratings on the following life assurers:

- Liberty Group Ltd.
- Old Mutual Life Assurance Co. (South Africa) Ltd.

We have affirmed our 'zaAAA' long-term South Africa national scale rating on Sanlam Life Insurance Ltd. and lowered our South Africa national scale rating on its nonoperating holding company Sanlam Ltd. to 'zaA' from 'zaAA-'.

We lowered our South Africa national scale issue rating to 'zaAA-' from 'zaAA+' on the subordinated deferrable debt issued by:

- Santam Ltd.
- Sanlam Life Insurance Ltd.
- Old Mutual Life Assurance Co. (South Africa) Ltd.
- Liberty Group Ltd.

We affirmed our 'zaAA+' South Africa national scale issue rating on Liberty Group's subordinated non-deferrable debt.

These rating actions follow our recent rating action on South Africa (see " South Africa Long-Term Local Currency Rating Lowered To 'BBB'; Foreign Currency Ratings Affirmed; Outlook Still Negative," published Dec. 2, 2016, on RatingsDirect). Our ratings on the eight aforementioned insurers and reinsurers--and, in turn, on some of their debt--are limited by the local currency sovereign credit rating on South Africa.

AIG South Africa Ltd. and AIG Life South Africa Ltd.

We consider that AIGSA subgroup would remain solvent in the event of a default by South Africa on its foreign currency obligations, as supported by it passing our hypothetical foreign currency sovereign stress scenario. This indicates that the insurer is unlikely to default on its insurance liabilities in the event of a sovereign stress scenario. Consequently, we can rate AIGSA above our foreign currency rating on South Africa.

However, we believe AIGSA remains susceptible to financial and macroeconomic stresses, given its asset and liability concentration in the domestic economy. As such, we cap the ratings on AIGSA at the level of the local currency sovereign credit rating on South Africa.

We continue to view AIGSA as strategically important within the AIG group. As per our ratings approach, we can assign three notches of uplift to reflect group support to strategically important subsidiaries. Still, in AIGSA's case, our assessment of its stand-alone credit profile (SACP) is at the same level as the local currency sovereign credit rating. We therefore apply no uplift.

The negative outlook on AIGSA parallels the outlook on the sovereign. We could accordingly lower the ratings if we downgraded the sovereign. Similarly, we could revise the outlook to stable if we revised the outlook on South Africa to stable.

Allianz Global Corporate and Specialty South Africa Ltd. (AGCSSA)
The ratings on AGCSSA continue to reflect that the insurer is highly strategic to its parent, Allianz Global Corporate & Specialty SE (AGCS SE), which is a core subgroup of Allianz SE. We rate highly strategic subsidiaries one notch below the group credit profile. However, the ratings on AGCSSA are limited by the local currency sovereign credit rating on South Africa.

The negative outlook on AGCSSA parallels the outlook on the sovereign. We could accordingly lower the ratings if we downgraded the sovereign. Similarly, we could revise the outlook to stable if we revised the outlook on South Africa to stable.

General Reinsurance Africa Ltd. (GRSA)
GRSA continues to benefit from a guarantee issued by its parent, General Reinsurance AG. This guarantee meets our criteria for rating the insurer up to six notches above the local currency sovereign credit rating of where the company is domiciled. We have therefore lowered the ratings on GRSA by one notch to maintain the six-notch differential, as per our rating approach.

The negative outlook indicates that a sovereign downgrade would lead to a similar action on GRSA.

Hannover Reinsurance Africa Ltd. and Hannover Life Reassurance Africa Ltd. (collectively HRSA)
The CreditWatch placement follows the negative rating action on the sovereign. We will assess the impact of the lowering of the sovereign rating and associated higher sovereign risks on the ratings on HRSA.

We expect to resolve the CreditWatch placements on the long-term ratings on HRSA over the next weeks to three months.

Santam Ltd.

We consider that Santam would remain solvent in the event of a default by South Africa on its foreign currency obligations, as supported by it passing our hypothetical foreign currency sovereign stress scenario. Furthermore, we believe Santam has a credible and executable risk-mitigation plan. In our opinion, these strengths indicate that the insurer is unlikely to default on its insurance liabilities under a sovereign default scenario. Therefore, we rate Santam above the foreign currency sovereign rating on South Africa.

However, we limit the ratings on Santam at the level of our local currency sovereign credit ratings on South Africa because we believe the group remains susceptible to financial and macroeconomic stresses, given the insurer's asset and liability concentration in the domestic economy.

The negative outlook on Santam parallels the outlook on the sovereign. We could accordingly lower the ratings if we downgraded the sovereign. Similarly, we could revise the outlook to stable if we revised the outlook on South Africa to stable.

Under our methodology for rating unsecured subordinated deferrable notes, we apply a one-notch downward adjustment from the global scale for deferability, we map to the resulting national scale ratings, and we deduct another notch from the national scale rating for subordination.

The rating action on Santam's debt consequently balances our opinions that:

- Santam is exposed to an increased exposure to credit risk within asset portfolios following the sovereign downgrade, which somewhat increases deferability risk on such issues.
- Such increased risk is somewhat mitigated by our views on Santam's sound balance sheet resilience.

Liberty Group Ltd. (Liberty)

The affirmation of our 'zaAAA/zaA-1' long- and short-term South Africa national scale ratings on Liberty incorporates our view that the insurer would likely retain positive regulatory capital and a liquidity ratio in excess of 100% under a hypothetical foreign currency sovereign stress scenario.

Liberty holds almost all of its assets in South Africa. However, a material part of its liabilities are with-profit or unit-linked, and feature substantial loss-sharing abilities with policyholders. Should a severe default stress occur--such as our hypothetical foreign currency sovereign stress scenario--we expect Liberty's policyholder funds to share the bulk of the losses. We would expect shareholder funds to suffer substantially under such a scenario, but not be fully exhausted. This indicates that the insurer is unlikely to default on its insurance liabilities under such scenario and it therefore passes the sovereign foreign currency stress scenario.

We limit the ratings on Liberty to the level of our local currency sovereign credit ratings on South Africa, as we believe the insurer remains susceptible to financial and macroeconomic stresses, given the company's asset and liability concentration in the domestic economy.

Under our methodology for rating unsecured subordinated deferrable notes, we apply a one-notch downward adjustment from the global scale for deferability, we map to the resulting national scale ratings, and we deduct another notch from the national scale rating for subordination.

The negative rating action on Liberty's debt consequently balances our opinions that:

- Liberty is exposed to an increased exposure to credit risk within asset portfolios following the sovereign downgrade, which somewhat increases deferability risk on such issues.
- Such increased risk is somewhat mitigated by our views on Liberty's sound balance sheet resilience.

The affirmation of our 'zaAA+' issue ratings on Liberty's subordinated non-deferrable notes largely reflects the affirmation of our national scale rating on Liberty.

Old Mutual Life Assurance Co. (South Africa) Ltd. (OMLACSA)

The affirmation of our 'zaAAA/zaA-1' long- and short-term South Africa national scale ratings on OMLACSA points to our view that, under a hypothetical foreign currency sovereign stress scenario, the insurer would likely retain positive regulatory capital and a liquidity ratio in excess of 100%. This indicates that the insurer is unlikely to default on its insurance liabilities under the scenario and therefore passes the sovereign foreign currency stress test.

OMLACSA holds approximately 95% of its assets in South Africa. However, the bulk of its life liabilities are with-profit or unit-linked, and feature substantial loss-sharing abilities with policyholders. Should a severe default stress occur--such as our hypothetical sovereign stress scenario--we expect Old Mutual's policyholder funds to share the bulk of the losses. We would expect shareholder funds to suffer substantially under such a scenario, but not be fully exhausted. This indicates that the insurer is unlikely to default on its insurance liabilities under such scenario and therefore passes the sovereign foreign currency stress test.

We limit the rating on OMLACSA to the level of our local currency sovereign rating on South Africa, as we believe the entity remains susceptible to financial and macroeconomic stresses, given the insurer's asset and liability concentration in the domestic economy.

Under our methodology for rating unsecured subordinated deferrable debt issues, we apply a one-notch downward adjustment from the global scale for deferability, we map to the resulting national scale ratings, and we deduct another notch on the national scale rating for subordination.

Consequently, the negative rating action on OMLACSA's subordinated debt incorporates our view that:

- The insurer is exposed to an increased exposure to credit risk within asset portfolios following the sovereign downgrade, which somewhat increases deferability risk on such issues; and,
- Such increased risk is somewhat mitigated by our opinion of OMLACSA's resilient balance sheet and sound debt servicing abilities.

Sanlam Life Insurance Ltd.(Sanlam)

The affirmation of our 'zaAAA' long-term South Africa national scale rating on Sanlam incorporates our view that the insurer would likely retain positive regulatory capital and a liquidity ratio in excess of 100% under a hypothetical foreign currency sovereign stress scenario.

Sanlam holds majority of its assets in South Africa. However, a material part of its liabilities are with-profit or unit-linked, and feature substantial loss-sharing abilities with policyholders. Should a severe default stress occur--such as our hypothetical foreign currency sovereign stress scenario--we expect Sanlam's policyholder funds to share the bulk of the losses. We would expect shareholder funds to suffer substantially under such a scenario, but not be fully exhausted. This indicates that the insurer is unlikely to default on its insurance liabilities under such scenario and therefore passes the sovereign foreign currency stress.

We limit the rating on Sanlam to the level of our local currency sovereign ratings on South Africa as we believe the entity remains susceptible to financial and macroeconomic stresses, given the insurer's asset and liability concentration to the domestic economy.

Under our methodology for rating unsecured subordinated deferrable notes, we apply a one-notch downward adjustment from the global scale for deferability, we map to the resulting national scale ratings, and we deduct another notch from the national scale rating for subordination.

The negative rating action on Sanlam's debt consequently balances our opinions that:

- Sanlam is exposed to an increased exposure to credit risk within asset portfolios following the sovereign downgrade, which somewhat increases deferability risk on such issues.
- Such increased risk is somewhat mitigated by our views on Sanlam's sound balance sheet resilience.

The negative rating action on Sanlam Ltd. reflects its non-operating holding company status. To derive the national scale rating of such entity, we apply a two-notch downward adjustment from the global scale and we map to the resulting national scale ratings.

RATINGS SCORE SNAPSHOTS

AIG South Africa Ltd. and AIG Life South Africa Ltd.

	To	From
Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--
Anchor	bbb	bbb
Business Risk Profile	Fair	Fair
IICRA	Moderate Risk	Moderate Risk
Competitive Position	Adequate	Adequate
Financial Risk Profile	Moderately Strong	Moderately Strong
Capital and Earnings	Moderately Strong	Moderately Strong
Risk Position	Intermediate Risk	Intermediate Risk
Financial Flexibility	Adequate	Adequate
Modifiers	0	0
ERM and Management	0	0
Enterprise Risk Management	Adequate	Adequate
Management and Governance	Fair	Fair
Holistic Analysis	0	0
Liquidity	Strong	Strong
Sovereign Risk	0	0
Support	0	+1
Group Support	0	+1
Government Support	0	0

Allianz Global Corporate and Specialty South Africa Ltd.

Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--

Hannover Reinsurance Africa Ltd. and Hannover Life Reassurance Africa Ltd.

	To	From
Financial Strength Rating	BBB+/Watch Neg/--	BBB+/Negative/--
Anchor	bbb-	bbb-
Business Risk Profile	Fair	Fair
IICRA	Moderate Risk	Moderate Risk
Competitive Position	Adequate	Adequate
Financial Risk Profile	Lower Adequate	Lower Adequate
Capital and Earnings	Lower Adequate	Lower Adequate
Risk Position	Intermediate Risk	Intermediate Risk
Financial Flexibility	Adequate	Adequate
Modifiers	0	0
ERM and Management	0	0
Enterprise Risk Management	Adequate	Adequate
Management and Governance	Satisfactory	Satisfactory
Holistic Analysis	0	0
Liquidity	Exceptional	Exceptional
Sovereign Risk	0	0
Support	+2	+2
Group Support	+2	+2

Government Support	0	0

Santam Ltd.

	To	From
Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--
SACP	bbb	bbb+
Indicative SACP	a-	a-
Anchor	bbb+	bbb+
Business Risk Profile	Satisfactory	Satisfactory
IICRA	Moderate Risk	Moderate Risk
Competitive Position	Strong	Strong
Financial Risk Profile	Upper Adequate	Upper Adequate
Capital and Earnings	Lower Adequate	Lower Adequate
Risk Position	Intermediate Risk	Intermediate Risk
Financial Flexibility	Strong	Strong
Modifiers	+1	+1
ERM and Management	+1	+1
Enterprise Risk Management	Strong	Strong
Management and Governance	Satisfactory	Satisfactory
Holistic Analysis	0	0
Liquidity	Strong	Strong
Sovereign Risk	-2	-1
Support	0	0
Group Support	0	0
Government Support	0	0

IICRA--Insurance Industry And Country Risk Assessment. SACP--Stand-alone credit profile.

RELATED CRITERIA

- General Criteria: S&P Global Ratings' National And Regional Scale Mapping Tables, June 01, 2016
- General Criteria: National And Regional Scale Credit Ratings, Sept. 22, 2014
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Insurance - General: Enterprise Risk Management, May 07, 2013
- Criteria - Insurance - General: Insurers: Rating Methodology, May 07, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Criteria Clarification On Hybrid Capital Step-Ups, Call Options, And Replacement Provisions, Oct. 22, 2012
- Criteria - Insurance - General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 07, 2010

- Criteria - Financial Institutions - General: Methodology: Hybrid Capital Issue Features: Update On Dividend Stoppers, Look-Backs, And Pushers, Feb. 10, 2010
- Criteria - Financial Institutions - Banks: Assumptions: Clarification Of The Equity Content Categories Used For Bank And Insurance Hybrid Instruments With Restricted Ability To Defer Payments, Feb. 09, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

RELATED RESEARCH

- South Africa Long-Term Local Currency Rating Lowered To 'BBB'; Foreign Currency Ratings Affirmed; Outlook Still Negative, Dec. 2, 2016
- Insurance Industry And Country Risk Assessment: South Africa Life, Oct. 12, 2016
- Insurance Industry And Country Risk Assessment: South Africa Property/Casualty, Oct. 12, 2016

RATINGS LIST

DOWNGRADED; RATINGS AFFIRMED

	To	From
AIG South Africa Ltd.		
AIG Life South Africa Ltd.		
Counterparty Credit Rating	BBB/Negative/--	BBB+/Negative/--
Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--
South Africa National Scale	zaAAA/--/--	zaAAA/--/--
Allianz Global Corporate and Specialty South Africa Ltd.		
Counterparty Credit Rating	BBB/Negative/--	BBB+/Negative/--
Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--
South Africa National Scale	zaAAA/--/--	zaAAA/--/--
General Reinsurance Africa Ltd.		
Financial Strength Rating	AA/Negative/--	AA+/Negative/--
Liberty Group Ltd.		
Subordinated deferrable	zaAA-	zaAA+
Old Mutual Life Assurance Co. (South Africa) Ltd.		
Subordinated deferrable	zaAA-	zaAA+
Sanlam Life Insurance Ltd.		
Subordinated deferrable	zaAA-	zaAA+
Sanlam Ltd.		
Counterparty Credit Rating		

South Africa National Scale	zaA/--/--	zaAA-/--/--
Santam Ltd.		
Counterparty Credit Rating	BBB/Negative/--	BBB+/Negative/--
Financial Strength Rating	BBB/Negative/--	BBB+/Negative/--
South Africa National Scale	zaAAA/--/--	zaAAA/--/--
Subordinated deferrable	zaAA-	zaAA+

CREDITWATCH ACTION

Hannover Reinsurance Africa Ltd.		
Hannover Life Reassurance Africa Ltd.		
Counterparty Credit Rating	BBB+/Watch Neg/--	BBB+/Negative/--
Financial Strength Rating	BBB+/Watch Neg/--	BBB+/Negative/--

RATINGS AFFIRMED

Hannover Reinsurance Africa Ltd.	
Hannover Life Reassurance Africa Ltd.	
Counterparty Credit Rating	
South Africa National Scale	zaAAA/--/--
Liberty Group Ltd.	
Counterparty Credit Rating	
South Africa National Scale	zaAAA/--/zaA-1
Subordinated non-deferrable	zaAA+
Old Mutual Life Assurance Co. (South Africa) Ltd.	
Counterparty Credit Rating	
South Africa National Scale	zaAAA/--/zaA-1
Sanlam Life Insurance Ltd.	
Counterparty Credit Rating	
South Africa National Scale	zaAAA/--/--

REGULATORY DISCLOSURES

Allianz Global Corporate and Specialty South Africa Ltd. (AGCSSA)

- Primary Credit Analyst: Trevor Barsdorf, Rating Analyst
- Rating Committee Chairperson: Marco Sindaco
- Date initial rating assigned: Aug. 14, 2014
- Date of previous review: Oct. 27, 2016

AIG South Africa Ltd.
AIG Life South Africa Ltd.

- Primary Credit Analyst: Trevor Barsdorf, Rating Analyst

- Rating Committee Chairperson: Marco Sindaco
- Date initial rating assigned: May 2, 2014
- Date of previous review: Sept. 28, 2016

Hannover Life Reassurance Africa Ltd.
- Primary Credit Analyst: Trevor Barsdorf, Rating Analyst
- Rating Committee Chairperson: Marco Sindaco
- Date initial rating assigned: Nov. 20, 2009
- Date of previous review: March 4, 2016

Hannover Reinsurance Africa Ltd.
- Primary Credit Analyst: Trevor Barsdorf, Rating Analyst
- Rating Committee Chairperson: Marco Sindaco
- Date initial rating assigned: March 25, 2004
- Date of previous review: March 4, 2016

Santam Ltd.
- Primary Credit Analyst: Trevor Barsdorf, Rating Analyst
- Rating Committee Chairperson: Marco Sindaco
- Date initial rating assigned: Oct. 10, 2012
- Date of previous review: April 27, 2016

DISCLAIMERS
This rating has been determined by a rating committee based solely on the committee's independent evaluation of the credit risks and merits of the issuer or issue being rated in accordance with S&P Global Ratings published criteria and no part of this rating was influenced by any other business activities of S&P Global Ratings.

This credit rating is solicited. The rated entity did participate in the credit rating process. S&P Global Ratings did have access to the accounts, financial records and other relevant internal, non-public documents of the rated entity or a related third party. S&P Global Ratings has used information from sources believed to be reliable but does not guarantee the accuracy, adequacy, or completeness of any information used.

GLOSSARY
- Anchor: The starting point for rating an insurer, based on S&P Global Ratings' assessments of the business and financial risk profiles.
- Business risk profile (BRP): Assesses the risk inherent in the insurer's operations and therefore the potential sustainable return to be derived from those operations.
- Capital and earnings: Measure of an insurer's ability to absorb losses.
- Collateral posting risk: Assessment of an insurer's exposure to collateral posting requirements in the event of rating downgrades or other triggers, relative to liquid assets.
- Combined ratio: The ratio of the sum of loss expense, loss adjustment

expense, and operating expenses divided by premiums earned.
- Competitive position: An assessment based on an insurer's operating performance, branding, market position, diversification and control over its distribution channels.
- Date initial rating assigned: The date S&P Global Ratings assigned the long-term foreign currency issuer credit rating on the entity.
- Date of previous review: The date S&P Global Ratings last reviewed the credit rating on the entity.
- Earnings before interest and taxation (EBIT): Profit before tax and interest expenses.
- EBITDA: The sum of EBIT and depreciation on tangible fixed assets plus amortization of intangible assets except for deferred acquisition costs and value of business acquired.
- Economic capital available: ECA is a broader, more economic view of owner (shareholders, or policyholders in the case of mutual) capital with a longer-term view on crystallizing value.
- Employee benefits obligations: Employee postemployment defined-benefit obligations (including pension and retiree health care benefits) in terms of both liability and asset risks.
- Enterprise risk management (ERM): Our assessment of ERM examines whether insurers execute risk management practices in a manner that effectively limits future losses.
- Financial flexibility: The balance between an insurer's sources and uses of external capital and liquidity over the current and next two years.
- Financial leverage ratio: Total financial obligations over the sum of economic capital available, debt, and hybrids.
- Financial leverage: The financial leverage subfactor addresses the degree of an insurer's indebtedness relative to its total capitalization. Total financial obligations over the sum of ECA (economic capital available), debt, and hybrids.
- Financial risk profile (FRP): The consequence of decisions that management makes in the context of its business risk profile and its risk tolerances.
- Financial strength rating (FSR): A forward-looking opinion about the financial security characteristics of an insurer with respect to its ability to pay under its insurance policies and contracts, in accordance with their terms.
- Fixed-charge coverage: Addresses an insurer's ability to service interest on financial obligations out of EBITDA.
- Foreign exchange risk exposure: Assesses currency mismatches between assets and liabilities (including equity). The criteria define a significant mismatch as more than about 10% of total insurer's liabilities.
- Headroom for covenants: Assesses the risk to an insurer's liquidity of not complying with covenants and rating triggers on its third-party financial obligations, including reinsurance and insurance contracts.
- High-risk assets: Volatile or illiquid assets.
- Insurance Industry And Country Risk Assessment (IICRA): Addresses the risks typically faced by insurers operating in specific industries and countries, and is generally determined at a country or regional level.

- Intangibles: The sum of goodwill, intangible assets, deferred acquisition costs (DAC), value of in-force, value of business acquired, and deferred tax assets.
- Issuer credit rating (ICR): A forward-looking opinion about an obligor's overall creditworthiness, focusing on its capacity and willingness to meet its financial obligations in full and as they come due.
- Operating return on embedded value: Post-tax operating profit divided by the average of embedded value at period-end and a year before.
- Prebonus pretax earnings: The sum of EBITDA and policyholder dividends.
- Return on assets (ROA): Indicates to us how efficiently management uses its assets to generate earnings by comparing EBIT to the two-year average of total assets adjusted. Total assets adjusted is total assets minus reinsurance assets.
- Return on revenue (ROR): Total revenue is used to capture net premiums from underwriting activities as well as investment income and fees generated as a result of those underwriting activities. Where total revenue is not reported, it is the sum of the net premiums earned, net investment income, and other income.
- Risk position: Assesses material risks not incorporated in the capital and earnings analysis and specific risks that could affect the volatility of an insurer's TAC.
- Return on equity (ROE): Measures the return available to stockholders. Calculated as reported net income divided by the year-end average of reported stockholders' equity for the past two years.
- Stand-alone credit profile (SACP): S&P Global Ratings' opinion of an insurer's creditworthiness, in the absence of extraordinary intervention from its parent, affiliate, or related government.
- Total adjusted capital (TAC): S&P Global Ratings' measure of the capital an insurer has available to meet capital requirements.

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