

A.M. Best Affirms Ratings of ECICS Limited

CONTACTS:

Yanwei You
Associate Financial Analyst
+852-2827-3421
yanwei.you@ambest.com

Rachelle Morrow
Senior Manager, Public Relations
+(1) 908 439 2200, ext. 5378
rachelle.morrow@ambest.com

Jeff Yeung
Associate Director
+852-2827-3413
jeff.yeung@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
+(1) 908 439 2200, ext. 5644
james.peavy@ambest.com

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A.M. Best has affirmed the financial strength rating of A- (Excellent) and issuer credit rating of "a-" of **ECICS Limited** (ECICS) (Singapore). The outlook for both ratings is stable.

The ratings reflect ECICS' strong risk-adjusted capitalization, favorable operating results, and its underwriting expertise in bonds and guarantees and credit insurance business.

ECICS continues to maintain strong risk-adjusted capitalization, as demonstrated by its Best's Capital Adequacy Ratio (BCAR) and local regulatory capital adequacy ratio. In the past five years, ECICS' overall operating performance has been outstanding, attributed to its favorable results in both underwriting and investment activities. With almost 40 years of operation in Singapore, ECICS has a proven track record of expertise in its core lines. The launch of two new products--contractors all risks and work injury compensation--in the second half of 2013 enables the company to be more competitive in the construction bond market. In addition, the launch of cargo insurance in 2014 is also expected to complement the existing credit insurance product.

While the company's move to become a full-fledged general insurer from the second half of 2013 diversifies its insurance risk, there is execution risk to this expansion. A.M. Best will closely monitor the company's performance relative to its peers following its expansion initiatives into the new portfolios.

ECICS is well positioned at its current rating level. Downward rating actions could occur if its operating performance deteriorates significantly, resulting in a material decline in its risk-adjusted capitalization level.

The methodology used in determining these interactive ratings is Best's Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best's rating process and contains the different rating criteria employed in the rating process. Best's Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

Ratings are communicated to rated entities prior to publication, and unless stated otherwise, the ratings were not amended subsequent to that communication.

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