

A.M. Best Downgrades Credit Ratings of Tokio Millennium Re AG; Places Under Review with Developing Implications

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FOR IMMEDIATE RELEASE

OLDWICK - NOVEMBER 02, 2018

A.M. Best has downgraded the Financial Strength Rating to A+ (Superior) from A++ (Superior) and the Long-Term Issuer Credit Rating to "aa-" from "aa+" of Tokio Millennium Re AG (TMR) (Switzerland). In addition, A.M. Best has placed these Credit Ratings (ratings) under review with developing implications.

The rating actions follow the recent announcement that RenaissanceRe Holdings Ltd (RenRe) (Bermuda) has entered into a definitive agreement with Tokio Marine Holdings, Inc. (Tokio Marine) under which it will acquire Tokio Marine's reinsurance platforms, which include TMR and Tokio Millennium Re (UK) Limited. If closing tangible book value is unchanged from June 30, 2018, Tokio Marine would receive USD 1.469 billion in a combination of cash and stock. The agreement has been approved by each side's board of directors and the transaction, subject to customary closing conditions and regulatory approval, is expected to close in the first half of 2019.

The ratings have been downgraded as A.M. Best believes that TMR is no longer strategic to the Tokio Marine group, although the parental guarantee and net worth maintenance agreement will remain in place until the closing of the transaction. Additionally, the downgrades align TMR's ratings with those of RenRe.

TMR's ratings will remain under review pending the completion of the transaction and until A.M. Best conducts discussions with the new parent regarding its plans for future support for this company. A.M. Best will continue discussions with TMR's management and monitor the company's risk-adjusted capitalization, operating performance and business profile.

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB# Company Name

085100 Tokio Marine & Nichido Fire Ins Co Ltd
050962 Tokio Marine Holdings, Inc.
058633 Tokio Marine Holdings, Inc.
090129 Tokio Millennium Re (UK) Limited
087340 Tokio Millennium Re (UK) Limited

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This press release relates to Credit Ratings that have been published on A.M. 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 A.M. Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases.

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