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A.M. Best Assigns Ratings to Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros

LONDON, 27 May 2016—A.M. Best has assigned a financial strength rating of A (Excellent) and an issuer credit rating of “a” to **Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros** (Plus Ultra) (Spain), a wholly owned subsidiary of **Grupo Catalana Occidente, S.A.** (GCO). The outlook assigned to each rating is stable.

The ratings reflect Plus Ultra’s good risk-adjusted capitalisation, stabilising operating performance and its well-established competitive position in Spain. Additionally, the ratings of Plus Ultra benefit from it being a strategic part of the GCO group and factor in GCO’s financial strength.

Largely as a result of decreased underwriting leverage, Plus Ultra’s risk-adjusted capitalisation has improved in recent years. The company’s capital and surplus increased by more than 40% between 2011 and 2015, whilst revenues decreased by 22% during the same period. The retention of earnings has driven this increase in capital, with the company reporting positive underwriting results since 2013 and good investment performance. Plus Ultra’s operating performance has experienced positive developments since 2012 when GCO acquired its first substantial stake in the company. Yet overall combined ratios remain somewhat volatile. Plus Ultra has implemented a more cautious approach toward risk underwriting and has established improved risk controls with the intent of reducing this volatility. However, it is A.M. Best’s opinion that a certain degree of volatility in the company’s underwriting performance will remain.

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A.M. Best also considers that Plus Ultra has a well-established business profile in Spain. The company underwrites personal and commercial lines of business across Spain and has been active in the market for more than 100 years. The strength of its longstanding distribution relationships has allowed the entity to implement more selective risk-taking principles since 2013, whilst minimising the subsequent decrease in top-line revenues. Going forward, A.M. Best expects the company's revenues to evolve in line with those of the domestic market.

The GCO group acquired 49% of Plus Ultra in 2012 and the remaining 51% in 2015. The group has been actively involved in managing Plus Ultra since 2012 and achieved a substantial level of integration in its operations in 2015. A.M. Best considers Plus Ultra to be a strategically important investment of GCO that has solidified its competitive standing among Spain's top six insurers based on revenue. GCO has excellent capital buffers, good financial flexibility and a well-established business profile.

This press release relates to rating(s) 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.

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