

AM Best Upgrades Credit Ratings of Kuwait Reinsurance Company K.S.C.P.

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FOR IMMEDIATE RELEASE

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AM Best has upgraded the Financial Strength Rating to A (Excellent) from A- (Excellent) and the Long-Term Issuer Credit Rating to "a" (Excellent) from "a-" (Excellent) of Kuwait Reinsurance Company K.S.C.P. (Kuwait Re) (Kuwait), which is majority owned by Al Ahleia Insurance Company S.A.K.P. (Al Ahleia). The outlook of these Credit Ratings (ratings) has been revised to stable from positive.

The ratings reflect Kuwait Re's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management.

The rating upgrades reflect Kuwait Re's sustained improvement in operating performance in recent years, evidenced by a return-on-equity ratio that has increased steadily to 16.5% in 2024 from 9.5% in 2020. Earnings have been underpinned by robust underwriting profitability, which includes substantial reserving margins that provide a buffer against volatility. AM Best expects Kuwait Re's underwriting discipline and prudent risk selection to support its prospective operating metrics.

Kuwait Re's balance sheet strength is underpinned by its risk-adjusted capitalisation, which is assessed at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR). The company's balance sheet strength is supported by a track record of internal capital generation, along with prudent reserving practices and good liquidity. A partially offsetting factor is Kuwait Re's holdings of higher-risk assets, with its real estate and equity portfolio equating to approximately 13% of total investments at year-end 2024, which exposes its capital base to potential volatility.

Kuwait Re's neutral business profile assessment reflects its diversification by geography and product offering. The company's operations span the Middle East, North Africa, Asia-Pacific and Central and Eastern Europe, where it provides proportional and non-proportional cover to its cedants. Kuwait Re reported insurance revenue of KWD 79.9 million (USD 260.1 million) in 2024, representing growth of 10% compared with 2023, driven in part by favourable reinsurance market conditions in its core markets.

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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