



INVESTORS SERVICE

Rating Action: Moody's affirms MSI Company (Europe) Limited's A1 financial strength rating, stable outlook

19 March 2024

London, March 19, 2024 – Moody's Ratings ("Moody's") has today affirmed the A1 insurance financial strength rating (IFSR) of Mitsui Sumitomo Insurance Company (Europe) Limited (MSI Company (Europe) Limited; "MSIEU"), a UK based, wholly owned direct subsidiary of Mitsui Sumitomo Insurance Company, Limited ("MSI"; A1 IFSR, stable), which is part of MS&AD Insurance Group Holdings, Inc. (MS&AD) group. The outlook remains stable.

RATINGS RATIONALE

The A1 IFSR and stable outlook on MSIEU have been aligned to that of its parent, MSI. This reflects the strong explicit support provided to MSIEU by MSI via a credit support agreement. In Moody's view, the characteristic of this agreement insulates MSIEU's policyholders from the company's standalone performance and credit profile and enable MSIEU to achieve full credit substitution from MSI.

OUTLOOK

The outlook on MSIEU is stable. This reflects the stable outlook on its parent, MSI.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATING

An upgrade of MSIEU's IFSR is unlikely given that it is aligned with that of its parents, MSI, which in turn is at the same rating leverage as that of the Japanese government bonds. However, MSIEU's rating would be upgraded if MSI's IFSR is upgraded.

Conversely, Moody's would downgrade the IFSR on MSIEU if: (1) the A1 IFSR of MSI is downgraded; and/or (2) MSI's credit support guarantee is cancelled or materially altered, which would result in a deterioration in the credit support provided to policyholders by the guarantee.

PRINCIPAL METHODOLOGIES

The methodologies used in this rating were Life Insurers Methodology published in January 2023 and available at <https://ratings.moodys.com/rmc-documents/397713>, and Property and Casualty Insurers Methodology published in January 2023 and available at <https://ratings.moodys.com/rmc-documents/397707>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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