



Press Release - SEPTEMBER 12,
2019

Print This Page

AM Best Revises Outlooks to Positive for Concord Grp. Ins. Pool Members; Affirms Credit Ratings of Auto-Owners and Certain Subs.

CONTACTS:

Robert Valenta, CPCU Christopher Sharkey
Senior Financial Analyst— Manager, Public Relations
P/C +1 908 439 2200, ext. 5159
+1 908 439 2200, ext. 5291 christopher.sharkey@ambest.com
robert.valenta@ambest.com

David Marek Jim Peavy
Financial Analyst—L/H Director, Public Relations
+1 908 439 2200, ext. 5644
+1 908 439 2200, ext. 5340 james.peavy@ambest.com
david.marek@ambest.com

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		
001780	Atlantic Casualty Insurance Company		
000188	Auto-Owners Insurance Company		
004354	Auto-Owners Insurance Group		
006140	Auto-Owners Life Insurance Company		
013106	Auto-Owners Specialty Insurance Company		
1	2	3	4

FOR IMMEDIATE RELEASE

OLDWICK - SEPTEMBER 12, 2019

AM Best has revised the outlooks to positive from stable and affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a+” of the members of Concord Group Insurance Pool (Concord Group), which is led by Concord General Mutual Insurance Company (Concord General) (Concord, NH).

Concurrently, AM Best has affirmed the FSR of A++ (Superior) and the Long-Term ICRs of “aa+” of Auto-Owners Insurance Company (Auto-Owners) (Lansing, MI) and its four wholly owned property/casualty (P/C) companies that compose Auto-Owners Insurance Group (AOIG). Also, AM Best has affirmed the FSR of A (Excellent) and the Long-Term ICR of “a+” of Atlantic Casualty Insurance Company (Atlantic Casualty) (Goldsboro, NC). At the same time, AM Best has affirmed the FSR of A- (Excellent) and the Long-Term ICR of “a-” of Auto-Owners Specialty Insurance Company (AOSIC) (Dover, DE). In addition, AM Best has affirmed the FSR of A+ (Superior) and the Long-Term ICR of “aa-” of Auto-Owners Life Insurance Company (AOLIC) (Lansing, MI), also a wholly owned

subsidiary of Auto-Owners. The outlook of these Credit Ratings (ratings) remains stable. (See below for a detailed listing of the companies).

The ratings of Concord Group reflect its balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM).

The rating actions reflect Concord Group's strategic position within the Auto-Owners organization, as well as the significant operating and financial benefits that Concord Group has realized as a result of its April 2017 affiliation with Auto-Owners, which is a highly rated, super-regional insurer with more than \$11 billion in policyholders' surplus.

The ratings of AOIG reflect its balance sheet strength, which AM Best categorizes as strongest, as well as its very strong operating performance, favorable business profile and appropriate ERM.

AOIG has exhibited generally improved operating performance in recent years. AOIG also maintains a business profile that is well-balanced between personal and commercial lines and P/C business. Through its acquisition of Atlantic Casualty and AOSIC in 2016, its affiliation with Concord General in 2017 and its acquisition of Capital Insurance Group in 2019, AOIG has further broadened its business profile from a product and geographic perspective. These positive rating factors are offset partially by its exposure to credit risk associated with the Michigan Catastrophic Claims Association.

The ratings of Atlantic Casualty reflect its balance sheet strength, which AM Best categorizes as strongest, as well as its adequate operating performance, neutral business profile and appropriate ERM.

Since its acquisition, Auto-Owners has increasingly supported Atlantic Casualty in various functions including, but not limited to: actuarial services, product development, reinsurance, claims, marketing and information technology. The ratings also reflect Atlantic Casualty's improved operating performance in recent years.

The ratings of AOSIC reflect its balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, very limited business profile and appropriate ERM.

AOSIC is a shell company that plans to provide excess and surplus lines coverage to small and medium-sized commercial businesses in North Carolina. Risk-adjusted capitalization is supportive of its business plan, which includes moderate

premium growth projections. In addition, the company is led by a management team with a track record of generating favorable operating results at its sister company, Atlantic Casualty, and possessing extensive knowledge of the surplus lines and commercial P/C business. These positive rating factors are offset partially by the expected concentration of non-admitted business in one state.

The ratings of AOLIC reflect its balance sheet strength, which AM Best categorizes as very strong, as well as its strong operating performance, neutral business profile and appropriate ERM.

The ratings also reflect AOLIC's integral role and positive contribution to its P/C parent organization, diversified product portfolio, its favorable level of risk-adjusted capitalization and high quality investment portfolio. In addition to these rating factors, the company's solid and steady operating results partially offset its geographical business concentration risk.

The outlooks have been revised to positive from stable and the FSR of A (Excellent) and the Long-Term ICRs of "a+" have been affirmed for the following members of Concord Group Insurance Pool:

- Concord General Mutual Insurance Company
- Green Mountain Insurance Company, Inc.
- State Mutual Insurance Company
- Sunapee Mutual Fire Insurance Company
- Vermont Accident Insurance Company, Inc.

The FSR of A++ (Superior) and the Long-Term ICRs of "aa+" have been affirmed, each with a stable outlook, for Auto-Owners Insurance Company and its wholly owned P/C subsidiaries:

- Home-Owners Insurance Company
- Owners Insurance Company
- Property-Owners Insurance Company
- Southern-Owners Insurance Company

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 Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and AM Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases.

AM Best is a global rating agency and information provider with a unique focus on the insurance industry.



Copyright © 2019 A.M. Best Company, Inc. and/or its affiliates ALL RIGHTS RESERVED

No part of this report may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of A.M. Best. Refer to our [terms of use](#) for additional details.