

AM Best Assigns Issuer Credit Rating to Crown Global Insurance Group LLC and Revises Outlooks to Positive for Certain Subsidiaries

March 07, 2019 10:16 AM Eastern Standard Time

OLDWICK, N.J.--([BUSINESS WIRE](#))--**AM Best** has revised the outlooks to positive from stable and affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “bbb+” of Crown Global Life Insurance Ltd. (Bermuda), Crown Global Life Insurance (Bermuda) Limited and Crown Global Insurance Company of America (Delaware). Concurrently, AM Best has assigned a Long-Term ICR of “bb+” to the parent holding company, Crown Global Insurance Group LLC (Crown Global) (Delaware). The outlook assigned to this Credit Rating (rating) is positive.

The ratings reflect Crown Global’s balance sheet strength, which AM Best categorizes as very strong, as well as its marginal operating performance, neutral business profile and appropriate enterprise risk management (ERM).

[Crown Global](#) is a provider of private placement solutions for high net worth individuals and institutional clients in the United States and internationally. The company’s investment and liability profiles, which feature an entirely separate account product platform in which policyholders bear investment risks, contribute to its strength. As a result, separate accounts comprise the vast majority of Crown Global’s total assets. Living benefits and secondary guarantees are not offered and mortality risk is minimal, with just a small amount of mortality risk retained per life, as the vast majority of mortality risk is reinsured with high quality reinsurers. The company’s operations also are supported by its

very strong balance sheet, with the majority of its general account assets held in high quality investment grade bonds and cash or cash equivalents. Its risk-adjusted capitalization, which is supplemented by the company's lower risk liability structure, is considered strongest, consistent with AM Best's rating guidelines.

The revised outlooks of Crown Global's subsidiaries reflect their operating performance, which has shown steadily improving trends as the organization has increased its scale. The improving trends have been driven by corresponding growth in the group's assets under administration. Strong expense management contributes to the group's profitability. AM Best expects the group to produce favorable and increasingly stable results over time as it executes on its high net worth private placement strategy and continues to increase its scale. AM Best views the companies' ERM as appropriate given the group's risk profile.

Partially offsetting these positive rating factors are the group's small client base, subjecting it to volatility from customer behavior, and the potential impacts of an ever-changing regulatory landscape with respect to domestic and international taxation.

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. Visit www.ambest.com for more information.

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