

OCTOBER 12, 2023 11:08 AM (EDT)

AM Best Affirms Credit Ratings of Gulf Insurance Group – Jordan

CONTACTS:

Romeo Berti
Financial Analyst
+44 20 7397 0267
romeo.berti@ambest.com

Christopher Sharkey
Associate Director, Public Relations
+1 908 882 2310
christopher.sharkey@ambest.com

Tim Prince
Director, Analytics
+44 20 7397 0320
timothy.prince@ambest.com

Al Slavin
Senior Public Relations Specialist
+1 908 882 2318
al.slavin@ambest.com

FOR IMMEDIATE RELEASE

LONDON - OCTOBER 12, 2023 11:08 AM (EDT)

AM Best has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of “bbb+” (Good) of Gulf Insurance Group – Jordan (GIG Jordan) (Jordan). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect GIG Jordan’s balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM). The ratings also factor in enhancement from GIG Jordan’s parent company, Gulf Insurance Group K.S.C.P. (GIG), reflecting the strategic importance of GIG Jordan to the group.

GIG Jordan’s balance sheet strength is underpinned by its risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), at the strongest level. The company’s risk-adjusted capitalisation in 2022 returned to year-end 2020 levels after it reduced moderately in 2021 following the acquisition of Arab Life & Accident Insurance Co. (P.S.C.). GIG Jordan’s BCAR scores are expected nevertheless to remain comfortably at the strongest level, supported by good organic capital generation. In the first quarter of 2023, GIG Jordan completed the repayment of the subordinated loan it received from its parent in 2017 to shore up its regulatory solvency position and currently benefits from an unlevered balance sheet. During the second quarter of 2023, the company rebalanced its investment portfolio moving away from Jordanian cash and deposits, in favour of geographically diversified fixed income securities across the Middle East region. The rebalancing ensured that the company maintained sound liquidity and financial flexibility.

GIG Jordan has demonstrated a track record of solid technical performance. In 2022, the company reported a combined ratio of 91.8% (2021: 86.4%), as calculated by AM Best, which is broadly in line with the five-year (2018-2022) weighted average combined ratio of 90.2%. Overall, operating performance is supported by relatively modest but stable investment income, with the company returning an investment yield (including capital gains) of 4.3% in 2022, marginally above the five-year (2018-2022) weighted average of 4.2%.

GIG Jordan has a leading position in its domestic insurance market, with a market share of approximately 15%. However, the company’s underwriting portfolio is concentrated heavily toward medical and motor risks on a net premium basis, which is a common characteristic of insurers in the region. Furthermore, Jordan’s insurance market is relatively small and fragmented. AM Best expects the acquisition and merger of Arab Life & Accident Insurance Co. (P.S.C.) to benefit GIG Jordan’s product diversification over the long term, although it has little immediate impact.

GIG Jordan’s ERM framework has evolved under its new management team, and robust controls appear to be in place. Significant steps have been taken to integrate the company with GIG’s ERM practices and strengthen its risk culture. GIG continues to integrate operationally with its subsidiaries, providing support in areas such as reinsurance purchasing, risk management, pricing and reserving, and investment management.

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](#).

AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

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
078183	Gulf Insurance Group - Jordan
090842	Gulf Insurance Group K.S.C.P.



[About Us](#) | [Advertise](#) | [Careers](#) | [Contact](#) | [Events](#) | [Media Relations](#) | [Mobile App](#) | [Offices](#) | [Press Releases](#) | [Social Media](#) | [Cookie Notice](#) | [Legal & Licensing](#) | [Privacy Notice](#) | [Site Map](#) | [Terms of Use](#)

Copyright © 2023 A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.