



# PRESS RELEASE

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## FOR IMMEDIATE RELEASE

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### **A.M. Best Affirms Credit Ratings of Bahamas First Holdings Limited's Operating Subsidiaries**

**OLDWICK, N.J., April 11, 2018**—A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a-” of **Bahamas First General Insurance Company Limited (BFG)** (Nassau, Bahamas) and **Cayman First Insurance Company Limited (CFI)** (Cayman Islands), the property/casualty operating subsidiaries of **Bahamas First Holdings Limited** (Nassau, Bahamas) (BFH). The outlook of these Credit Ratings (ratings) is stable.

The ratings of BFG and CFI reflect the group's balance sheet strength, which A.M. Best categorizes as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM).

The very strong balance sheet strength is derived from risk-adjusted capitalization at the strongest level and the group's ability to raise capital if needed, which is partially offset by a high dependence on the reinsurance markets to protect capital in the event of natural catastrophes. The investment portfolio, while conservative in nature, is subject to regulatory constraints and in a large part, the sovereign rating of the Bahamas. In addition, the operating companies pay dividends to BFH to service debt, which may constrain capital growth.

The group's operating performance has been favorable, especially in years where there have been few major hurricanes impacting the Bahamas or Cayman Islands. Above-average profitability has supported capital growth, despite highly competitive markets and weakened economic conditions.

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The business profile is considered neutral due to its leading market positions and operations in two territories, and recognizing that the Bahamas represents the larger exposure sphere. The group benefits somewhat from geographic diversification and product mix, which helps stabilize overall results through market cycles and further reduces the impact of catastrophic events. Furthermore, ERM appears to be appropriate for the group's size and the complexity of its underwriting, investment and other risks based on its developed ERM framework and controls, which include a capital management policy.

A.M. Best anticipates that the group will continue to produce favorable earnings in non-catastrophe affected years and that its strong surplus position and comprehensive reinsurance program will continue to keep the balance sheet very strong.

**This press release relates to Credit Ratings that have been published on A.M. 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 A.M. 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 A.M. Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases](#).**

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