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AM Best Revises Outlooks to Stable for AMERIND Risk Management Corporation

OLDWICK, N.J., September 1, 2023—AM Best has revised the outlooks to stable from negative and affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” (Excellent) of AMERIND Risk Management Corporation (AMERIND) (Pueblo of Santa Ana, NM).

The Credit Ratings (ratings) reflect AMERIND’s balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management.

The revision in outlooks reflects AM Best’s view that the balance sheet strength readily supports AMERIND’s existing and future risks, offsetting periodic moderate volatility in underwriting its book of commercial property, homeowners and workers’ compensation risks for Native American tribes. The company’s surplus at the end of 2022 is approximately five-fold what it was when management team started in 2012, primarily on underwriting profitability. Balance sheet reserves are quite robust with significant Incurred But Not Reported (IBNR) backstopping case reserves, which align with actuarial estimates and the investment portfolio, though heavily equity-weighted, is invested in diversified equity index and fixed income mutual funds. These balance sheet attributes enable AMERIND to operate for the benefit of its Indian Country policyholders. Over the last two years, significant catastrophe losses materially impacted the company’s underwriting profitability, to which it has responded with moderate premium rate increases across most lines in its

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book. AMERIND also has a favorable expense ratio as management focuses on efficiency and keeping expenses low.

The stable outlooks reflect AM Best's expectation that the company will maintain its very strong balance sheet strength, including robust loss reserves that generally reflect favorable development. Additionally, AM Best expects premiums will remain adequate to generate underwriting results that can grow surplus organically.

Though unlikely in the near term, positive rating action could occur if underwriting results contributed to a sustained level of profitability consistent with other companies assessed as having "strong" operating performance. Negative rating action could occur if the company's risk-based capitalization materially weakens or if it appears that its reserves are significantly weaker than AM Best expected.

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](#).

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