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AM Best Removes From Under Review With Positive Implications and Affirms Credit Ratings of Sompo Japan Insurance Inc. and Its Subsidiaries

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HONG KONG--([BUSINESS WIRE](#))--AM Best has removed from under review with positive implications and affirmed the Financial Strength Rating (FSR) of A+ (Superior) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “aa-” (Superior) of Sompo Japan Insurance Inc. (SJ) (Japan) and its subsidiaries. The outlook assigned to the FSR is stable, while the outlooks assigned to the Long-Term ICRs is positive.

Concurrently, AM Best has removed from under review with positive implications and affirmed the Long-Term ICR of “a-” (Excellent) of Sompo International Holdings Ltd. (SIH) (Pembroke, Bermuda). In addition, AM Best has removed from under review with positive implications and affirmed the Long-Term Issue Credit Rating of “a-” (Excellent) of \$335 million, 7% senior unsecured notes, due 2034, which is guaranteed by SIH. The outlook assigned to these Credit Ratings (ratings) is positive.

(Please see below for a detailed listing of the companies and ratings.)

The ratings reflect SJ's balance sheet strength, which AM Best assesses as strongest, as well as its strong operating performance, favourable business profile and appropriate enterprise risk management.

The ratings were removed from under review with positive implications following the completion of the acquisition of Aspen Insurance Holdings Limited (Aspen) by Sompo Holding, Inc. on 24 February 2026, via SIH, a wholly owned subsidiary of SJ.

While SJ continues to maintain a strong market position with about a one-quarter share of the highly consolidated domestic market in Japan, it has been demonstrating an increasingly diversified underwriting portfolio geographically, with overseas operations accounting for approximately 45% of consolidated insurance revenue and with a majority of adjusted profit in fiscal-year 2024. The acquisition of Aspen is expected to increase SJ's business scale and specialty line capabilities, materially enhancing its presence in the global property/casualty (re)insurance markets. The positive outlook on the Long-Term ICR reflects AM Best's expectation that SJ's business profile will be strengthened over the near to medium term, driven by its continued global expansion and diversification, further accelerated by the addition of

Aspen. AM Best views the successful execution of post-merger integration and prudent risk management of the expanding overseas portfolio as key considerations in its ongoing business profile assessment.

SJ's balance sheet strength assessment reflects the company's strongest level of risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR). While the acquisition of Aspen could potentially weigh on risk-adjusted capitalization, AM Best believes SJ holds a sufficient capital buffer to withstand such an impact and will be able to recover through its strong earnings stream. AM Best will monitor any potential impact on balance sheet strength fundamentals associated with the acquisition over the coming periods. While the company is exposed to sizeable equity risk from its domestic stock portfolio, AM Best expects this exposure to gradually reduce as the company continues to accelerate the reduction of strategic equity holdings in the forthcoming years. SJ's conservative financial leverage and strong financial flexibility remain supportive of its balance sheet strength assessment.

Positive rating actions could occur if SJ demonstrates sustainable enhanced business scale through successful post-merger integration of Aspen. Negative rating actions could occur if there is material

deterioration in the company's balance sheet fundamentals driven by material increases in risk amounts outpacing its capital growth. Negative rating actions also could occur if there is persistent and significant deterioration in SJ's operating performance stemming from weak underwriting and/or investment results.

The FSR of A+ (Superior) and the Long-Term ICRs of "aa-" (Superior) have been removed from under review with positive implications and affirmed with a stable outlook assigned to the FSR, and positive outlooks assigned to the Long-Term ICRs of Sompo Japan Insurance Inc. and its following subsidiaries:

- Endurance Assurance Corporation
- Endurance Specialty Insurance Limited
- Endurance Worldwide Insurance Limited
- Endurance American Specialty Insurance Company
- Endurance American Insurance Company
- Endurance Risk Solutions Assurance Co.
- American Agri-Business Insurance Company
- Sompo America Insurance Company
- Sompo America Fire & Marine Insurance Company
- Lexon Insurance Company
- Bond Safeguard Insurance Company

- SI Insurance (Europe), SA

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

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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