

AM Best Revises Outlook to Positive and Affirms IAT Insurance Group's A- (Excellent) Rating

OLDWICK (February 6, 2025) — [AM Best has revised the outlooks to positive from stable and affirmed the Financial Strength Rating \(FSR\) of A- \(Excellent\) and the Long-Term Issuer Credit Rating \(Long-Term ICR\) of “a-” \(Excellent\) of IAT Reinsurance Company Ltd. \(IAT Re\) \(Cayman Islands\).](#) Concurrently, AM Best has revised the outlooks to positive from stable and affirmed the FSR of A- (Excellent) and the Long-Term ICRs of “a-” (Excellent) of the members of Harco National Group (Harco) (Raleigh, NC). (See below for a detailed list of these subsidiaries and Credit Ratings [ratings].)

In addition, AM Best has affirmed the FSR of A- (Excellent) and the Long-Term ICR of “a-” (Excellent) of Allegheny Casualty Company (ACC) (Newark, NJ). The outlook of these ratings is stable.

The revision of the outlooks to positive for IAT Re and Harco, reflects AM Best’s expectation that the groups will continue to generate positive earnings, which will contribute to organic surplus growth and improved risk-adjusted capitalization, as well as a continued trend of improved qualitative balance sheet metrics over the intermediate term.

The ratings reflect IAT Re’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).

Also, IAT Re’s balance sheet strength assessment reflects its strongest level of risk-adjusted capitalization as measured by Best’s Capital Adequacy Ratio (BCAR), strengthening reserve position and quality investment portfolio. The company’s enhanced reserve profile has led to improved development and less volatility around the BCAR, which has improved A.M Best’s overall view of the balance sheet assessment. IAT Re’s operating performance has produced profitable results in recent years despite economic challenges and historic catastrophe events. IAT Re is a Cayman Islands based reinsurer that provides excess of loss and other reinsurance to primary insurance companies. A significant portion of the company's premiums are assumed from its U.S. subsidiaries through quota share reinsurance agreements. Through these agreements, IAT Re provides capacity for the various lines of business generated by its insurance subsidiaries, which include commercial auto liability, commercial auto physical damage, homeowners, surety, inland marine, general liability, other property and workers' compensation. Distribution channels are diverse as business is marketed primarily through independent agencies, wholesale agents and brokers.

The ratings of Harco reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and appropriate ERM.

ACC’s ratings reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, limited business profile and appropriate ERM.

The FSR of A- (Excellent) and the Long-Term ICRs of “a-” (Excellent) have been affirmed with the outlooks revised to positive from stable for the following members of Harco:

- Acceptance Casualty Insurance Company
- Acceptance Indemnity Insurance Company
- Commercial Alliance Insurance Company
- Harco National Insurance Company
- International Fidelity Insurance Company
- Occidental Fire and Casualty Company of North Carolina
- TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.
- Wilshire Insurance Company

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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