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FOR IMMEDIATE RELEASE

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AM Best Revises Issuer Credit Rating Outlook to Positive for Associated Electric & Gas Insurance Services Limited

OLDWICK, N.J., May 30, 2024—AM Best has revised the outlook to positive from stable for the Long-Term Issuer Credit Rating (Long-Term ICR) and affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term ICR of “a” (Excellent) of Associated Electric & Gas Insurance Services Limited (AEGIS) (Hamilton, Bermuda). The outlook of the FSR is stable.

The Credit Ratings (ratings) reflect AEGIS’ balance sheet strength, which AM Best assesses as strongest, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

The positive Long-Term ICR outlook reflects AEGIS’ positive earnings, which have been consistent even in years of large loss events for the industry, and throughout low interest-rate market conditions. Underwriting returns have been supported by appropriate premium rate increases and a meticulous review of accounts, while investment returns have been supported by a conservative, liquid strategy.

AEGIS focuses on risk diversification and capital preservation, which have been achieved through a successful combination of its energy mutual operations in the United States and uncorrelated lines of business with its Lloyd’s Syndicate 1225. AEGIS continues to maintain the strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), supported by consistent surplus growth over the past 10 years. AEGIS’ historical focus on the U.S. and Canadian utility industries and the diversification benefit from its

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Lloyd's syndicate continues to stabilize underwriting performance. Management continues to focus on the company's operating performance by improving its risk management strategies, including continued refinement of its underwriting criteria, as well as the prudent use of available reinsurance protection and modest limits. AEGIS continues to have a high member retention ratio, an adaptive and highly responsive management team and continued expansion of programs within its corporate mission.

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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