

Research Update:

# Polish Insurer UNIQA Towarzystwo Ubezpieczen S.A. Rated 'A' On Core Group Status To UNIQA Group; Outlook Stable

December 4, 2024

## Overview

- UNIQA Towarzystwo Ubezpieczen S.A. (UNIQA T.U.) is a property/casualty (P/C) insurer within UNIQA Group, operating in one of the group's key markets, Poland.
- UNIQA T.U. is a key contributor to the revenue and earnings of UNIQA Group (core subsidiaries rated: A/Stable/--), with operations in the commercial and retail business that align with the group's strategy.
- We therefore assigned our 'A' long-term financial strength rating to UNIQA T.U.
- The stable outlook reflects that on UNIQA Group.

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## Rating Action

On Dec. 4, 2024, S&P Global Ratings assigned its 'A' financial strength rating to Poland-based UNIQA T.U. The outlook is stable.

## Rationale

We base our 'A' rating on UNIQA T.U. on our view of the insurer's core status to the overall group. As such, we rate the entity at the same rating level as UNIQA's core operating entities (UNIQA Oesterreich Versicherungen AG and UNIQA Re AG).

UNIQA T.U. plays a key role within UNIQA's strategy of expanding into the Central Eastern European insurance markets. UNIQA's Polish business has evolved as a material revenue and earnings contributor to UNIQA Group; the group further bolstered its regional market position in 2021 with the acquisition of AXA's CEE business. UNIQA ranks among the top five insurers in Poland, holding a market share of approximately 7%.

Based on results for the first nine months of 2024, UNIQA's Polish operations achieved strong

growth of around 21%, reaching premiums totaling €942 million, representing 16% of total UNIQA Group premiums (of which UNIQA T.U. contributed about 13%, as the P/C insurer). Furthermore, the Poland-based business accounted for 19% of the group's earnings before taxes in 2023.

UNIQA Group continues to demonstrate strong profitability in the Polish P/C insurance market, with all major lines of business maintaining combined ratios well below 100%. UNIQA T.U.'s profitable growth trajectory is demonstrated by an overall combined ratio of 90.4% for the first nine months of 2024, even following the severe floods caused by Storm Boris. This resilience is driven by UNIQA's robust reinsurance program and prudent, risk-adequate underwriting approach.

UNIQA T.U. has developed a relatively diverse business portfolio, supported by a strategic distribution network that includes exclusive sales channels, brokers, banks, and direct sales.

UNIQA T.U. is adequately capitalized, reporting a Solvency II ratio of 170% at year-end 2023. UNIQA Group maintains a balanced approach to capital allocation, ensuring that its subsidiaries are appropriately, but not excessively, capitalized. We expect the group's capitalization to remain relatively stable, supported by balanced dividend distributions to its parent. The investment allocation aligns with the group's strategy, with most of the portfolio comprising fixed-income assets, 85% of which are rated 'A' or higher.

## **Outlook**

The stable outlook on UNIQA T.U. reflects that on UNIQA Group.

## **Downside scenario**

We could lower the rating on UNIQA T.U. within the next two years if we lowered our ratings on UNIQA Group. We could also consider downgrading the company if we no longer viewed UNIQA T.U. as a core entity to UNIQA Group, for instance, due to sustained underperformance of the Polish non-life operations versus the group target.

## **Upside scenario**

We could raise the rating on UNIQA T.U. if we took a similar action on UNIQA Group.

## **Related Criteria**

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Related Research

Austria-Based UNIQA Insurance Group Affirmed At 'A' Following Revised Capital Model Criteria; Outlook Remains Stable, June 7, 2024

## Ratings List

### New Rating

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**UNIQA Towarzystwo Ubezpieczen S.A.**

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Financial Strength Rating

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Local Currency	A/Stable/--
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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.spglobal.com/ratings](http://www.spglobal.com/ratings) for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceid/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings). Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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