KBRA Affirms All Ratings for Premia Re and Premia Holdings

New York (August 13, 2026)

KBRA affirms the A insurance financial strength rating (IFSR) of Premia Reinsurance Ltd. (Premia Re). KBRA also affirms the BBB+ issuer rating of Premia Holdings Ltd. (Premia Holdings) as well as the BBB debt ratings on Premia Holdings' subordinated notes. Collectively, the companies are referred to as Premia. The Outlook for all ratings is Stable.

Key Credit Considerations

The ratings reflect Premia's strong risk-adjusted capitalization, disciplined underwriting and experienced management team, established position in the non-life legacy market, financial flexibility and conservative investment strategy balanced against relatively small alternative asset exposure. Premia maintains substantial capital buffers at both the group and regulated operating-company levels. At year-end 2025, Premia Holdings and Premia Re reported Bermuda ECR coverage ratios of 225% and 384%, respectively, while Premia Re's reserve leverage remained favorable relative to peers. Regulatory and company stress testing demonstrate Premia's ability to withstand meaningful reserve, market and credit stresses while remaining meaningfully above its regulatory and internal capital thresholds. Premia benefits from an experienced management team with significant expertise across underwriting, actuarial, claims, investments and transaction structuring. Since inception, management has demonstrated a selective approach to capital deployment, emphasizing transactions that meet targeted risk-adjusted returns rather than transaction volume. Premia has developed a meaningful specialist franchise across Bermuda, the U.S., Europe, the U.K. and Lloyd's of London (AA-/Stable). Its ability to source proprietary and bilateral opportunities, execute varied transaction structures and complete follow-on transactions with existing counterparties supports its competitive position in an increasingly mature and segmented non-life legacy market. Premia Holdings has demonstrated access to multiple sources of capital, including debt, revolving credit facilities and contingent reinsurance capital, and has contributed approximately $683 million to Premia Re since inception. KBRA views financial leverage as manageable, with Premia Re maintaining significant dividend capacity to support holding-company obligations. Premia has a predominantly high-quality fixed income investment portfolio and actively manages asset/liability duration to limit the likelihood of forced asset sales. The strength of the investment portfolio is tempered by a relatively small exposure to alternative investments, structured products and loans, which introduce greater credit, valuation and liquidity risk than traditional investment-grade fixed income securities.

Balancing these strengths are earnings volatility inherent in the non-life legacy business model and exposure to long-tailed reserve risk. Premia has generated positive cumulative earnings since inception, supported substantially by recurring investment income; however, results can vary significantly between periods due to adverse reserve development, transaction timing, claims outcomes and the accounting treatment of retroactive reinsurance and deposit contracts. In 2025, Premia Holdings reported a net loss of $56.9 million, while Premia Re reported an $18.8 million net loss, both losses driven by adverse reserve development. Accordingly, KBRA views earnings volatility as an inherent feature of Premia's legacy business model, partially mitigated by recurring investment income, transaction diversification and Premia's strong capitalization. Premia assumes portfolios containing long-duration casualty and other legacy liabilities that remain susceptible to social and economic inflation, changes in legal and regulatory environments, and emerging claims trends. Although Premia employs conservative reserving, independent actuarial review and active claims management, adverse reserve development remains a fundamental risk to the business model and negatively affected results in 2025.

Rating Sensitivities

Sustained growth in the diversification of Premia's franchise while maintaining conservative underwriting standards, demonstrated record of favorable reserve development, consistently stronger through-the-cycle earnings, and greater scale with minimal increase in current financial, reserve or investment leverage could result in a positive rating action. Material adverse reserve development, material deterioration in risk-adjusted capitalization, sustained increase in financial or investment risk, weakening of liquidity or financial flexibility that significantly reduces the group's ability to meet obligations without reliance on stressed asset sales or extraordinary capital actions, or material deterioration in underwriting discipline or risk controls could result in negative rating action.

To access ratings and relevant documents, click here.

Methodology

- Insurance: Insurer & Insurance Holding Company Global Rating Methodology

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Disclosures

A description of all substantially material sources that were used to prepare the credit rating and information on the methodology(ies) (inclusive of any material models and sensitivity analyses of the relevant key rating assumptions, as applicable) used in determining the credit rating is available in the Information Disclosure Form(s) located here.

Information on the meaning of each rating category can be located here.

Further disclosures relating to this rating action are available in the Information Disclosure Form(s) referenced above. Additional information regarding KBRA policies, methodologies, rating scales and disclosures are available at www.kbra.com.

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