News 24 Oct, 2022

# Standard & Poor's (S&P) Announcement



**Tom Bowsher**
Group CEO

**S&P Global Ratings have announced a decision to adjust its ratings of the West from A- (negative outlook) to BBB+ (stable outlook). S&P have long stated their concerns about the industry as a whole and this decision means that four Clubs have had their ratings adjusted downwards in recent months and a further six remain on negative outlook.**

The rating decision on West was driven by the impact that the reported investment loss of 2.9% has had on the Club's capital under S&P's capital model. While the Club's Board maintains its objective of holding capital in excess of 'AAA' on the S&P model, it accepts that it is unlikely to achieve this during 2023 and this has triggered the rating action. The S&P capital model is just one measure of capital and while the Club's position on this has reduced in the year to date, the Solvency II coverage has increased to around 165% and is forecast to strengthen further between now and year end.

While accepting of the rationale for S&P's rating decision, the frustration for West is that it has been taken despite the improvements made to the underwriting book at the last two renewals, something S&P have commented positively upon, and which is reflected in the mid-year combined ratio of 97.9% (https://www.westpandi.com/about-us/financial/)

S&P have also recently commented favourably on the Club's much improved brand and reputation in the market and this, together with on-going support from our Members, continued improvement in operating performance and a higher expected future yield from the Club's investment portfolio, means the Board is confident its capital will return to in excess of 'AAA' in the medium term.



© 2026 West of England