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# Fitch Revises SIAT's Outlook to Positive, Affirms IFS Rating at 'A-'

Fitch Ratings - Frankfurt am Main - 29 Oct 2024: Fitch Ratings has revised Italy-based SIAT - Società Italiana Assicurazioni e Riassicurazioni - per Azioni's (SIAT) Outlook to Positive from Stable and affirmed its Insurer Financial Strength (IFS) Rating at 'A-' (Strong).

The Positive Outlook follows Fitch's revision of Italy's sovereign Outlook to Positive (see 'Fitch Revises Italy's Outlook to Positive; Affirms at 'BBB'', dated 18 October 2024 at [www.fitchratings.com](http://www.fitchratings.com)) and also reflects the Positive Outlook of its parent UnipolSai Assicurazioni S.p.A (UnipolSai; IFS A-/Positive).

The affirmation continues to reflect SIAT's ownership by UnipolSai and Fitch's view that the parent would support SIAT, which results in a two-notch uplift to SIAT's standalone credit quality. The latter mirrors the company's niche business profile as the third-largest marine insurer in Italy, although it is small in size.

## Key Rating Drivers

**Linked to Italian Sovereign:** SIAT's credit quality is linked to Italy's sovereign rating, given the group's exposure to Italian sovereign debt. This is captured in Fitch's assessment of SIAT's investment risk via its sovereign investment concentration risk factor. SIAT's exposure to Italian sovereign bonds was at EUR77 million at end-2023, corresponding to 1.1x shareholders' capital.

**Risky Assets Ratio May Improve:** SIAT's risky assets were 34% of capital based on end-2023 results. The group's investment and asset risk may improve in the event of Italy's upgrade as the portion of the insurer's exposure to 'BBB' category sovereign investments Fitch deems as risky assets would decrease to 15% from 30%, under our Insurance Rating Criteria.

**Positive Company Profile Outlook:** Fitch has also revised the outlook for Italy's 'industry profile and operating environment' (IPOE) to positive and, as a result, the outlook on SIAT's company profile, as defined under the agency's Insurance Criteria, following Italy's Outlook revision. The company profile scoring is tied to the IPOE score to reflect our assessment of country risk as SIAT's business as a marine insurer is positively correlated with the Italian economy.

## RATING SENSITIVITIES

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A downward revision of SIAT's standalone credit quality due, for example, to a weakening in its

business profile

- A revision of UnipolSai's Outlook to Stable

### **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

- An upgrade of UnipolSai's IFS Rating and an upward revision of SIAT's standalone credit quality

### **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

### **ESG Considerations**

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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# Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
SIAT - Societa Italiana Assicurazioni e Riassicurazioni - per Azioni	LT IFS	A- 	Affirmed	A- 

## RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

## Applicable Criteria

[Insurance Rating Criteria \(pub.04 Mar 2024\) \(including rating assumption sensitivity\)](#)

## Additional Disclosures

[Solicitation Status](#)

## Endorsement Status

SIAT - Societa Italiana Assicurazioni e Riassicurazioni - per Azioni      EU Issued, UK Endorsed

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