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### **AM Best Revises Outlook to Stable for Elan Insurance USVI, Inc.**

**OLDWICK, N.J., April 28, 2020**—AM Best has revised the outlooks to stable from negative and affirmed the Financial Strength Rating of B+ (Good) and the Long-Term Issuer Credit Rating of “bbb-” of Elan Insurance USVI, Inc. (Elan) (f/k/a Elan Solutions, Inc.) (St. Thomas, U.S. Virgin Islands).

These Credit Ratings (ratings) reflect Elan’s balance sheet strength, which AM Best categorizes as strong, as well as its adequate operating performance, limited business profile and marginal enterprise risk management (ERM).

The revision of the outlooks to stable reflects the improvement in Elan’s level of risk-adjusted capitalization in 2019, as measured by Best’s Capital Adequacy Ratio (BCAR), and was driven by favorable earnings, repayment of an outstanding note and a capital contribution from its majority shareholder.

Additionally, positive rating factors include Elan’s trend of favorable gains in enrollment and premium growth resulting in improved operating performance. The company has also managed to improve results by lowering its cost structure, with its administrative loss ratio measures having declined substantially. Furthermore, Elan has successfully gained administrative service only (ASO) business over the near-term, in which the ASO accounts add scale to help further offset Elan’s operating costs. Offsetting rating factors include geographic concentration risk as its insurance business is sold only in the U.S. Virgin Islands. Elan’s ERM program has been

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evolving as the company implements its formalized program. Elan has identified its risks and provided a plan to manage and mitigate those risks. Elan's board of directors has oversight over its risk management strategies.

**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 media use of Best's Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases](#).**

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