



RATING NEWS

Jakarta, June 8th 2015

ICRA Indonesia revises Asuransi Himalaya Pelindung's outlook to stable

PT ICRA Indonesia (ICRA Indonesia) has affirmed the claims paying ability rating of [Icr]BBB (pronounced triple B) of PT Asuransi Himalaya Pelindung (Himalaya) and revised the outlook to stable from negative. The rating indicates moderate claims paying ability relative to other domestic insurers.

The rating reflects Himalaya's sustained performance in premium production during challenging period last year and adequate capitalization with equity and risk based capital (RBC) well above the regulatory thresholds. The rating is however constrained by the company's suppressed profitability caused by the relatively high loss ratio as well as limited financial flexibility by not being a part of any major financial institution groups.

The outlook revision reflects better than expected results towards the end of 2014, and ICRA Indonesia's expectation for 2015's performance, in particular with regard to its profitability and capitalization.

Himalaya's rating could move upward if the improvements in its bottom lines continue while it expands its business, or if its financial flexibility is enhanced. On the other hand, the rating could come under pressures if Himalaya were to experience a business slowdown due to changes in operating or regulatory environments, and/or if it grows aggressively, among others by compromising its underwriting policies such that its financial profile gets impaired.

The principal methodology used in arriving at Himalaya's rating is ICRA Indonesia's Rating Methodology for Claims Paying Ability for Insurance Companies. Please refer www.icraindonesia.com for more detailed information on the methodology and on other methodologies.

Company Profile

PT Asuransi Himalaya Pelindung is a general insurance company formerly known as PT Asuransi Nirbaya Sraya. Starting out in 1983 to serve customers in Jakarta and Bandung's Chinatown, the company has, over the years, expanded its customer base. Currently, it has 23 branches and 8 marketing offices spread across the islands of Sumatra, Java and Kalimantan. The shareholders of Himalaya are insurance professionals Mr. Kornelius Simanjuntak (38%), the late Mr. Budhi Hartono Hadi Purnomo (38%) and Mr. Josef Sunarwinto (24%).



During Q1 2015, Himalaya wrote gross premium of Rp 53.9billion with earned premium of Rp 33.6billion. Meanwhile, the company recorded a loss before tax of Rp 2.2billion. Vehicles insurance segment accounted for 39% of Himalaya's gross premiums collection, followed by property 30%, marine hull 10% and marine cargo 9%.

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- (i) Statistical analysis on public information,
- (ii) Statistical analysis on public information, confirmed through discussions between ICRA Indonesia and the party being rated, and/or,
- (iii) Analysis on public and non-public information, acquired during discussions between ICRA Indonesia and the party being rated.