



Talking Points- Breaking News

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Talking Points- Breaking News provides you information on the latest developments for a high profiled news story, which can affect the Insurance & Surety industry.

Look for the **TSiB Talking Point** that highlights the issue and keeps you informed.

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Surplus Lines Insurer Downgraded After Posting Loss

James River Group Holdings has been downgraded by AM Best from an A to an A- after posting a \$100MM quarterly loss.

AM Best said in a statement that the downgrade reflected a lower assessment of the insurer's Enterprise Risk Management (ERM) and the negative outlook was due to concerns over its Commercial Automobile Liability exposure.

James River reported a loss for the first quarter of \$103.5MM vs. a \$36.8MM loss for the same period in 2020. The company was able to replenish capital via a stock offering but AM Best sees this as a reason to be concerned about the insurer's balance sheet strength.

Auto losses have been a concern for James River for some time as they took a \$50MM charge in Q3 of 2019 related to their "largest client, Uber Technologies".

NOTE- AMEST RATING

Rating: A- (Excellent)

Financial Size: XI (\$750MM to \$1B)

Outlook: Negative

Rating Effective: May 7, 2021

TSIB's Talking Point: It is important to note that James River has been downgraded to an A-. This is still an acceptable rating for most Brokers to continue to use this Carrier. However, it is also imperative that you understand that this rating carries a negative implication and should be monitored.

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