

# Rating Report

## Siat Societa Italiana di Assicurazioni e Riassicurazioni p.A.

### DBRS Morningstar

8 August 2023

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### Rating

Issuer	Obligation	Rating	Rating Action	Trend
Siat Societa Italiana di Assicurazioni e Riassicurazioni p.A.	Financial Strength Rating	A (high)	Confirmed July '23	Stable

#### Rating Drivers

##### Factors With Positive Rating Implications

As Siat Societa Italiana di Assicurazioni e Riassicurazioni p.A.'s (Siat or the Company) rating primarily reflects the rating of UnipolSai Assicurazioni S.p.A. (UnipolSai; rated A (high) with a Stable trend by DBRS Morningstar), an upgrade of UnipolSai's Financial Strength Rating would result in an upgrade of Siat's rating.

##### Factors With Negative Rating Implications

Conversely, a downgrade of UnipolSai's rating would result in a downgrade of Siat's rating. In addition, any indication of UnipolSai's reduced ability or willingness to support Siat would result in a rating downgrade.

#### Rating Considerations

##### Franchise Strength

Siat benefits from a leading market position in the marine insurance business in Italy, in both the hull and cargo sectors. The Company relies on a well-entrenched and growing distribution network of brokers and agents.

##### Risk Profile

Risk management of Siat is integrated with its parent UnipolSai. Underwriting risk is largely ceded to highly rated reinsurers. Notwithstanding the deteriorated operating environment, Siat managed to maintain stable underwriting profitability. Management of the investment portfolio is deemed conservative, but high exposure to BBB-rated bonds (mainly Italian sovereign) remains.

##### Earnings Ability

Profitability continued to improve in 2022, benefitting from the good track record in the cargo business and increased investment income. Siat reported an overall stable combined ratio in 2022 compared with 2021.

##### Liquidity

Siat's primary businesses are inherently exposed to catastrophic risk events and potentially large claims. However, these risks are mitigated by Siat's comprehensive reinsurance programme. The Company maintains substantial holdings of cash and liquid domestic sovereign bonds.

##### Capitalisation

Capitalisation is sound with solid capital cushions above the minimum requirements and internal risk appetite levels. Capital requirements are reduced through the use of reinsurance.

## Financial Information

(EUR Thousands)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
Net Premium Income	51,744	48,140	44,687	43,607	43,809
Other Revenues	11,933	8,610	7,421	8,577	8,297
Return on Equity (%)	7.6	6.8	5.7	0.2	0.5
Total Debt, Hybrids, and Preferred Shares (Unipol Group, EUR Millions)	5,110	4,779	5,712	4,498	4,216
Financial Leverage Ratio (Unipol Group) (%)	39.2	34.1	38.7	35.1	40.0
Financial Leverage Ratio (Unipol Group, Rolling Average) (%)	38.7	34.1	37.1	35.5	47.2
Fixed-Charge Coverage (3-Year Weighted Average; x) (Unipol Group)	6.7	6.8	7.7	6.7	4.8

Note: Siat has no financial debt in its capital structure. x = times.  
Sources: DBRS Morningstar, Company documents.

## Issuer Description

Siat is a subsidiary of UnipolSai based in Genoa, Italy. The Company has more than 50 years of operating history and particularly specializes in the marine insurance line of the business. Siat has a prominent presence in the hull and cargo insurance sector, operating both in Italy and international markets using a distribution network through brokers and agents.

## Rating Rationale

On 21 July 2023, DBRS Ratings GmbH (DBRS Morningstar) confirmed Siat's Financial Strength Rating at A (high) with a Stable trend. As a wholly owned and strategically important subsidiary of UnipolSai, Siat's rating is primarily driven by its parent's rating. As per DBRS Morningstar's *Global Methodology for Rating Insurance Companies and Insurance Organizations*, the equalization of Siat's Financial Strength Rating with that of UnipolSai reflects the expectation of support from the parent for this subsidiary, given the Company's strategic and financial importance to the parent.

Because of its important presence and expertise in the marine insurance business, Siat is considered a strategically important subsidiary of UnipolSai. The Company is well integrated with its parent, which provides many operational functions including asset portfolio management, risk management, audit, information technology, and actuarial services. DBRS Morningstar also takes into consideration Siat's meaningful market position in the hull and cargo business, supported by a well-entrenched distribution network of brokers. Siat maintained sound underwriting profitability in 2022 and adequate revenue generation scale. The Company's investment strategy is considered conservative, while capitalisation is sound with solid capital cushion above the regulatory minimum requirements.

## Franchise Strength

Thanks to a long-standing tradition in the marine insurance business, Siat benefits from a leading market position in its primary business lines in Italy. In 2022, the Company reported the third-largest market share in the hull market in Italy at 24.5% and the second-largest in the cargo sector at 15%, including all market shares and rankings of Siat and other Unipol Gruppo S.p.A. (Unipol Gruppo; rated BBB with a Stable trend by DBRS Morningstar) companies. In the hull segment, Siat's market share decreased significantly from the 36.6% reported in 2019 while growing market share in the cargo market is in line with the Company's goals to balance its portfolio between its two main core businesses.

Siat has a domestic and international distribution network consisting of brokers and agents. In 2022, 85% of the Company's total premium income was generated from brokers, 12% was from indirect business, and 3% was from international agencies. The Company also has several ongoing projects to improve its current distribution network through online platforms as well as increase its cooperation with the UnipolSai agency network and establish a bank distribution channel.

Albeit concentrated in the marine insurance sector, Siat offers a diversified range of products in its hull, cargo, and aviation line of business. In its hull business, it mostly offers coverage for passenger and cargo shipowners, shipyards, and pleasure craft owners. The hull segment represented 63% of Siat's total premium income in 2022. Siat's cargo premiums' contribution to total premium income increased to 35.1% in 2022 from 33.3% in 2021. A certain level of product diversification is provided by the Company's aviation business; however, premiums generated by this segment decreased to EUR 3.2 million in 2022 from EUR 5.1 million in 2021.

In 2022, around 65% of income was generated in the domestic market, compared with 55% the prior year. In terms of sectoral breakdown, hull operations have more balanced revenues in domestic and international markets, with 55% of the total generated in the international market. In the cargo sector, conversely, almost two-thirds of revenues are concentrated in the domestic market.

From a strategic perspective, Siat's objective is to rebalance the portfolio between the hull and the cargo businesses through significant development of the latter. In particular, Siat is targeting the more remunerative small and medium-size enterprise clients in the cargo segment, while new business in the hull market has been extremely limited in line with the Company's conservative underwriting practices. Siat's top management is considered to have extensive and long-standing experience in the marine insurance sector, and the Company is strongly integrated with the parent group.

### **Risk Profile**

Siat has well-developed and efficient internal controls and risk management systems, which are integrated into those of its parent. The Company has conservative risk management practices, and its underwriting benefits from extensive experience gained during more than 50 years of operations in the marine insurance market.

DBRS Morningstar notes that a substantial part of the portfolio's underwriting risk is ceded through outward reinsurance. This helps mitigate the risk of large claims linked to increasingly adverse market conditions. Despite the deteriorating operating environment, characterised by the instability generated by Russia's invasion of Ukraine as well as high inflation, Siat has been able to maintain a stable risk profile and sound underwriting profitability.

The Company has significant exposure to Italian sovereign bonds, which constrains its fixed income portfolio credit quality and the overall risk profile assessment. However, the amount of non-investment-grade bonds and the Company's exposure to equity risk are negligible. Moreover, as a material amount of premiums are ceded to highly rated reinsurers, the Company faces low counterparty credit risk.

Siat has well-established technical, operational, and administrative services in its core business. The Company also benefits from the risk management expertise of its parent company UnipolSai as well as direct integrated management of support functions such as information technology, investment management, and operational risks.

For the Year Ended December 31 (IFRS)					
<b>Bonds Rated (EUR Thousands)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
AAA	-	-	4,907.9	6,444.4	5,999.6
AA	33,083.7	13,769.2	7,151.3	7,779.3	6,057.2
A	12,065.0	13,310.9	9,358.0	7,059.0	6,756.8
BBB	72,912.4	65,750.0	69,434.5	74,220.5	75,599.4
BB and Below	689	711	723	538	1,428
<b>Total Bonds</b>	<b>118,750</b>	<b>93,541</b>	<b>91,566</b>	<b>96,041</b>	<b>95,841</b>

For the Year Ended December 31 (IFRS)					
<b>Bonds Rated (%)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
AAA	-	-	5.4	6.7	6.3
AA	27.9	14.7	7.8	8.1	6.3
A	10.2	14.2	10.2	7.4	7.1
BBB	61.4	70.3	75.8	77.3	78.9
BB and Below	0.6	0.8	0.8	0.6	1.5
<b>Total Bonds</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

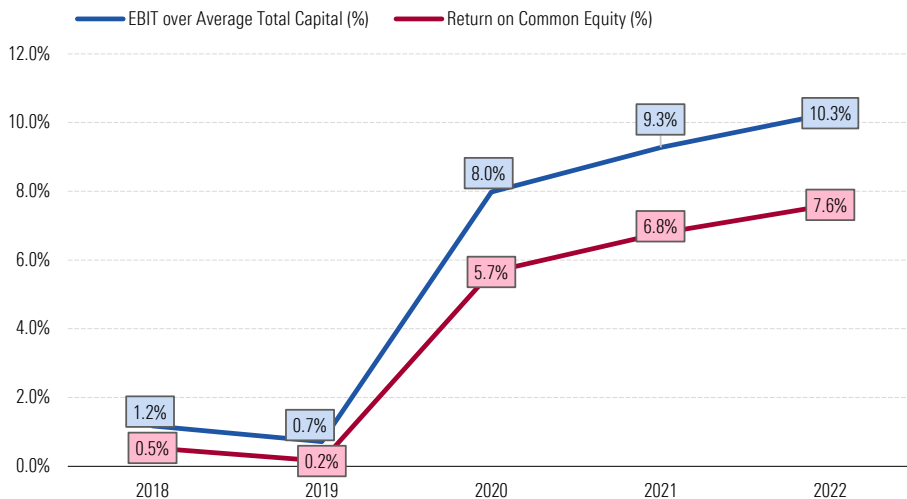
Sources: DBRS Morningstar, Company documents.

### Earnings Ability

Siat has obtained strong earning results in the last three years, which benefitted from the positive impact of the reorganisation of its hull portfolio. DBRS Morningstar notes that the Company's leading position in its core businesses and its business strategy aimed at growing its profitable cargo portfolio and expanding its distribution network could strengthen its revenue generation and profitability in the medium term.

The Company's gross written premiums increased to EUR 172.9 million at the end of 2022 from EUR 151.2 million in 2021. This increase was attributable to the direct business in hulls and marine cargo, which went up by almost 16.5% and 48.0%, respectively, year-over-year (YOY). The increase in direct portfolio volume reflects the extra risk premium due to the Russia-Ukraine conflict. In addition, the appreciation of the U.S. dollar against the euro during the year had a positive impact as a substantial amount of the business is written in U.S. dollars.

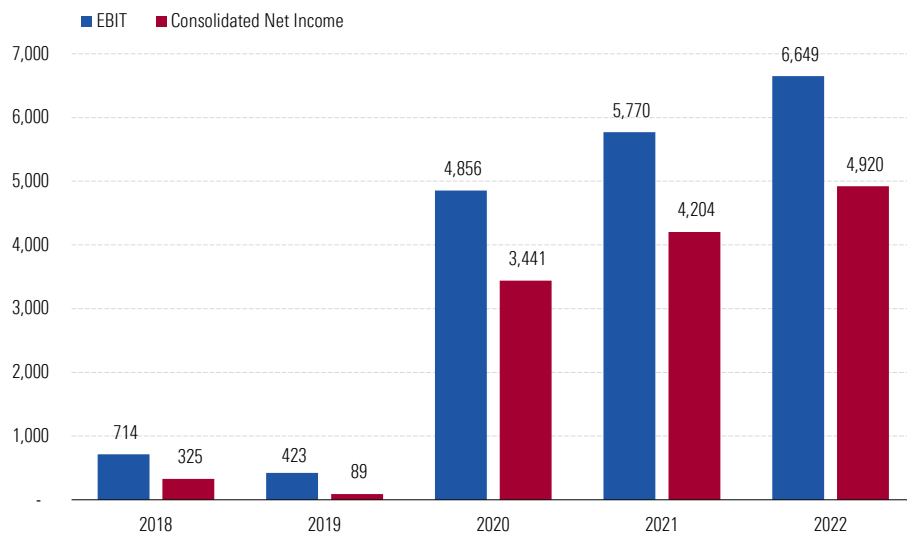
**Exhibit 1** Profitability Metrics



Sources: DBRS Morningstar, Company documents.

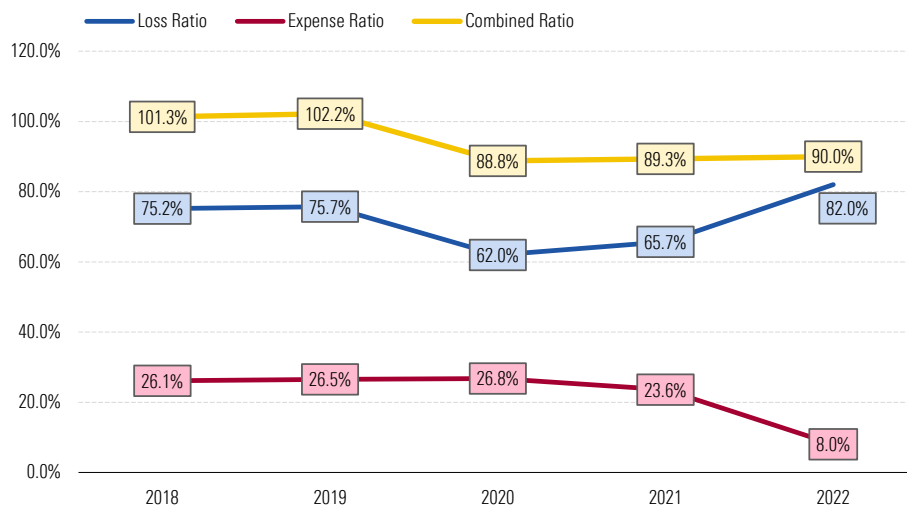
Siat continued to improve its bottom-line profitability in 2022, following its recovery after its 2018–19 results. In 2022, net income increased to EUR 4.9 million from EUR 4.2 million in 2021, which benefitted from a 17% increase in the underwriting result YOY and significantly higher investment income (net of related capital and financial charges) of EUR 2.9 million (versus EUR 1.3 million in 2021).

**Exhibit 2** EBIT and Net Income Results (EUR Thousands)



Sources: DBRS Morningstar, Company documents.

Notwithstanding the difficult operating environment, the combined ratio only marginally increased in 2022 to 90% (versus 89.3% and 88.8% in 2020), as the material increase in the loss ratio has been almost fully compensated by the lower expense ratio (Exhibit 3).

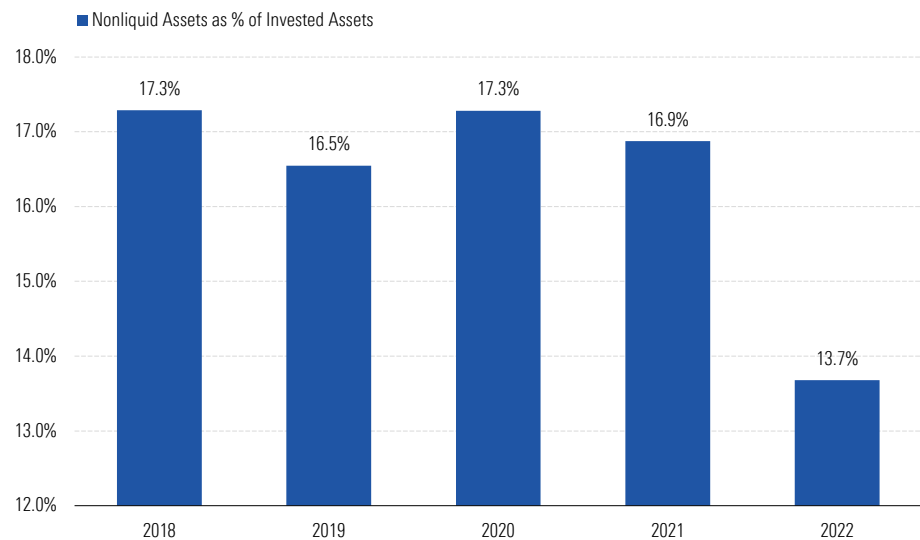
**Exhibit 3** Underwriting Profitability

Sources: DBRS Morningstar, Company documents.

**Liquidity**

Siat's business and product offerings are subject to some claims volatility. The Company is also exposed to catastrophic risk events and potentially large insured claims losses. Siat's comprehensive reinsurance strategy, however, mitigates these risks by ceding around 70% of gross written premiums to high-quality reinsurance counterparties. Exposure to highly rated reinsurance counterparties greatly minimises the risk of nonpayment by a reinsurer in the event of a high claims event. Siat uses various forms of reinsurance to manage claims volatility within its businesses, using risk retention levels that are appropriate for its size and internal resources.

Substantial holdings of liquid fixed income securities enhance the Company's liquidity profile. In 2022, Siat's nonliquid assets concentration was materially reduced compared with previous years (Exhibit 4). This improvement was mostly driven by the increase in the amount of available cash and investment-grade bonds. Although Siat does have a high proportion of BBB-rated bonds, the majority of these are Italian sovereign bonds that provide a source of readily marketable assets.

**Exhibit 4** Nonliquid Assets Concentration

Sources: DBRS Morningstar, Company documents.

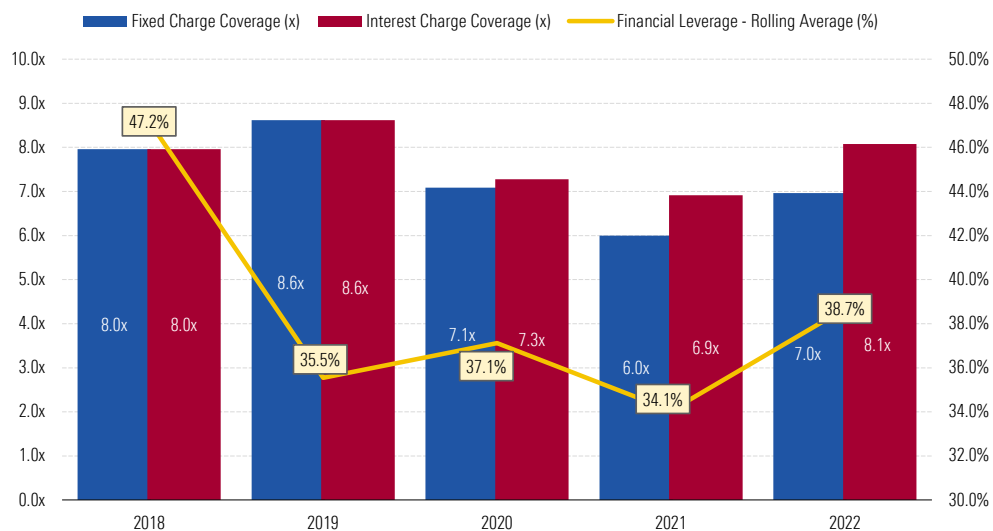
**Capitalisation**

Siat's capitalisation is sound and in line with the Company's risk profile. In 2022, the Company maintained a solid capital buffer against the minimum requirements and internal risk appetite levels.

Siat's Solvency II ratio was 169% in 2022, compared with 168% in 2021. The Company's use of reinsurance partially reduces the demand for required regulatory capital, particularly the amount of capital to be held for catastrophic risks. The Company also has a fair degree of flexibility in the timing and frequency of dividend payments, benefitting from the resources of the parent insurance company, UnipolSai. The solvency capital requirement (SCR) went up to EUR 42.7 million, up 5% YOY. The increase in the SCR is largely attributable to the growth of premium and reserve risks linked to the higher demand for protection against the Russia-Ukraine conflict. This has been more than offset by the positive impact of fair value adjustment.

A sensitivity analysis showed that the Solvency II ratio would go down by 7 percentage points (p.p.) with a -15% reduction of property market prices and by 2 p.p. with the Italian government bond spread widening more than 100 basis points (bps) (versus 3 p.p. in 2021). In addition, the Solvency II ratio would also go down by 4 p.p. in the case of a further 100-bp increase in interest rates, following the monetary policy tightening trend in the current economic outlook.

In its capital structure, Siat does not use any financial debt and holds only tangible common equity. Rather, all debt is held by UnipolSai, its parent insurance company, and Unipol Gruppo, its ultimate holding company. Therefore, DBRS Morningstar assessed Siat's indebtedness through analysis on the group's consolidated financial ratios (see Exhibit 5).

**Exhibit 5** Leverage and Coverage (Unipol Gruppo — Consolidated)

Sources: DBRS Morningstar, Company documents.

**Capitalisation**

(%)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
<b>Regulatory Capital Strength</b>					
Solvency II Ratio	168.6	167.8	174.1	147.2	136.2
Minimum Capital Requirement Ratio	466.6	470.0	479.7	436.9	406.1
<b>Leverage</b>					
Total Capital (EUR Thousands)	66,778	64,897	62,593	59,152	59,063
Financial Leverage (Unipol Group)	39.2	34.1	38.7	35.1	40.0
Financial Leverage (Unipol Group) (Rolling Average)	38.7	34.1	37.1	35.5	47.2
Intangibles/Common Equity	2.2	2.7	2.5	1.8	1.1
Tangible Common Equity/Total Capital	97.8	97.3	97.5	98.2	98.9
Total Capital/Policyholder Liabilities	70.5	79.9	79.7	69.7	65.7
<b>Protection Ratios</b>					
Quality Assets/Noncapital Liabilities	15.7	10.0	8.2	6.9	6.0
Total Capital/Riskier Assets	199.3	192.4	180.7	166.7	161.4

Sources: DBRS Morningstar, Company documents.



## Environmental, Social, Governance (ESG) Considerations

UnipolSai

### UnipolSai Assicurazioni S.p.A.

#### ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*	
<b>Environmental</b>	<b>Overall:</b>	<b>Y</b>	<b>R</b>
<b>Emissions, Effluents, and Waste</b>	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N	N
<b>Carbon and GHG Costs</b>	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long term credit profile?	N	N
<b>Climate and Weather Risks</b>	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	Y	R
	In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially by a 2°C rise in temperature?	Y	R
	<b>Climate and Weather Risks:</b>	Y	R
<b>Passed-through Environmental credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
<b>Social</b>	<b>Overall:</b>	<b>N</b>	<b>N</b>
<b>Social Impact of Products and Services</b>	Do we consider that the social impact of the issuer's products and services could pose a financial or regulatory risk to the issuer?	N	N
<b>Human Capital and Human Rights</b>	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts that could result in a material financial or operational impact?	N	N
	Do violations of rights create a potential liability that could negatively affect the issuer's financial wellbeing or reputation?	N	N
	<b>Human Capital and Human Rights:</b>	N	N
<b>Product Governance</b>	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
<b>Data Privacy and Security</b>	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could result, in financial penalties or client attrition to the issuer?	N	N
<b>Community Relations</b>	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
<b>Access to Basic Services</b>	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
<b>Passed-through Social credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
<b>Governance</b>	<b>Overall:</b>	<b>N</b>	<b>N</b>
<b>Bribery, Corruption, and Political Risks</b>	Are there any political risks that could impact the issuer's financial position or its reputation?	N	N
	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
	<b>Bribery, Corruption, and Political Risks:</b>	N	N
<b>Business Ethics</b>	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
<b>Corporate / Transaction Governance</b>	Does the issuer's corporate structure limit appropriate board and audit independence?	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N	N
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N	N
	<b>Corporate / Transaction Governance:</b>	N	N
<b>Passed-through Governance credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
<b>Consolidated ESG Criteria Output:</b>		<b>Y</b>	<b>R</b>

\* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

**Environmental**

The Environmental factor is considered relevant but does not affect the rating or trend assigned to the issuer. As part of its operations within the property and casualty insurance business, UnipolSai is exposed to climate and weather risks as well as natural catastrophic events in Italy including earthquakes, wildfires, flooding, and others. DBRS Morningstar considers that the issuer has adequate procedures in place to assess and measure the impact of these risks on its operations and supports broader global actions that aim to minimise them. However, these considerations on the Environmental factor are taken into account as part of DBRS Morningstar's assessment of product risk within the Company's risk profile. In 2020, Unipol Gruppo published the first Task Force on Climate-related Financial Disclosures report.

**Social**

The Social factor does not affect the rating or trend assigned to the issuer. The Company has not reported any cases of failures related to social issues. UnipolSai has not faced any issues related to data breaches or security failures that could damage the Company's reputation and its risk profile. Breaches or security failures could also lead to financial penalties, given the Company's exposure to sensitive client information.

**Governance**

The Governance factor does not affect the rating or trend assigned to the issuer. There have been no reported cases of serious failures in governance as they relate to the Company. Unipol Gruppo's board of directors (BoD) comprises 15 members (including the chairman and vice-chairman), of which nine are independent. Five committees report to the BoD, including the strategic committee; the appointments, governance, and sustainability committee; the remuneration committee; the control and risk committee; and the related party transactions committee. All committees excluding the strategic committee are chaired by an independent director and comprise mostly independent directors.

**Balance Sheet (As Reported)**

(EUR Thousands)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
<b>Assets</b>					
Intangible Assets, Other Deferred Costs	1,465	1,737	1,538	1,073	633
Property	18,227	18,641	18,811	18,879	18,813
Investments In Group and Related Companies	213	246	379	121	91
Mutual Fund Units	-	1,224	1,224	1,224	1,224
Bonds and Other Fixed-Interest Securities	118,750	93,541	91,566	96,041	95,841
Loans and Receivables	72	17	19	2	12
Restricted Deposits With Banks	402	402	402	402	402
<b>Other Financial Investments</b>	<b>119,224</b>	<b>95,184</b>	<b>93,211</b>	<b>97,669</b>	<b>97,479</b>
Deposits With Ceding Undertakings	646	623	658	673	699
<b>Total Investments</b>	<b>138,310</b>	<b>114,694</b>	<b>113,059</b>	<b>117,342</b>	<b>117,082</b>
Technical Reserves Carried by Reinsurers	195,831	162,566	154,371	222,676	219,814
Receivables Arising Out of Direct Insurance	57,612	61,413	65,693	68,593	70,660
Reinsurance Debtors	8,640	18,255	12,625	10,361	7,525
Other Debtors	10,203	9,279	7,837	7,750	9,071
<b>Total Debtors</b>	<b>76,455</b>	<b>88,947</b>	<b>86,155</b>	<b>86,704</b>	<b>87,256</b>
Tangible Assets	200	247	230	195	267
Cash and Cash Equivalents	11,520	3,719	2,863	4,720	3,297
Other Assets	4,427	1,373	1,147	999	1,026
<b>Total Other Assets</b>	<b>16,147</b>	<b>5,339</b>	<b>4,240</b>	<b>5,914</b>	<b>4,590</b>
Prepayments and Accrued Income	494	454	568	628	789
<b>Total Assets</b>	<b>428,702</b>	<b>373,737</b>	<b>359,931</b>	<b>434,337</b>	<b>430,164</b>
<b>Liabilities and Shareholders' Equity</b>					
Share Capital	38,000	38,000	38,000	38,000	38,000
Legal Reserve	2,788	2,578	2,406	2,401	2,385
Reserve for Parent Company's Shares	210	242	345	86	50
Other Reserves	20,859	19,873	18,401	18,576	18,303
Net Profit (Loss) for the Year	4,920	4,204	3,441	89	325
<b>Capital and Equity Reserves</b>	<b>66,778</b>	<b>64,897</b>	<b>62,593</b>	<b>59,152</b>	<b>59,063</b>
Subordinated Liabilities	-	-	-	-	-
Technical Reserves	290,579	243,777	232,888	307,567	309,695
Provisions for Risk and Charges	1,318	1,615	2,426	2,739	2,511
Deposits From Reinsurers	678	1,069	1,879	2,659	929
Payables Arising out of Direct Insurance	9,434	12,990	13,752	7,944	9,433
Reinsurance Creditors	27,089	21,910	18,178	25,448	20,932
Termination Indemnities	681	740	843	959	1,010
Other Creditors	6,424	3,781	3,857	2,273	3,159
Other Liabilities	25,721	22,958	23,515	25,596	23,432
<b>Total Other Liabilities</b>	<b>69,350</b>	<b>62,379</b>	<b>60,145</b>	<b>62,220</b>	<b>57,966</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>428,702</b>	<b>373,737</b>	<b>359,931</b>	<b>434,337</b>	<b>430,164</b>

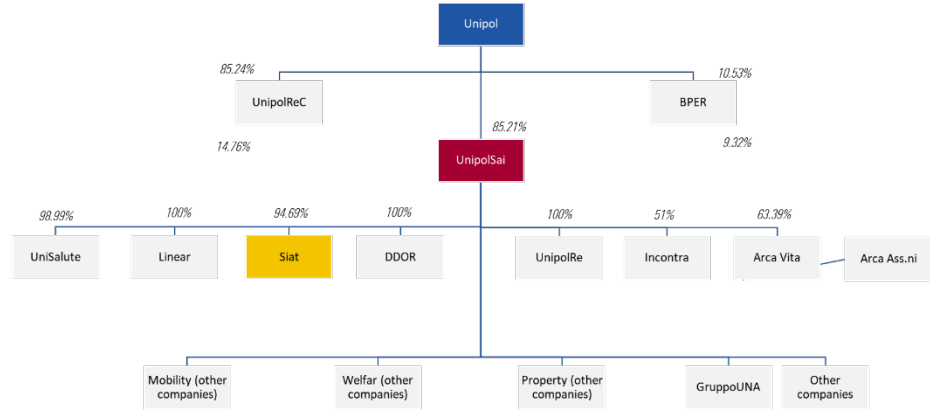
Sources: DBRS Morningstar, Company documents.

**Income Statement (As Reported)**

(EUR Thousands)	For the Year Ended December 31 (IFRS)				
	2022	2021	2020	2019	2018
Gross Premiums Written	172,951	151,213	149,364	159,776	148,484
Outward Reinsurance Premiums	(121,208)	(103,073)	(104,677)	(116,169)	(104,675)
<b>Net Premiums</b>	<b>51,744</b>	<b>48,140</b>	<b>44,687</b>	<b>43,607</b>	<b>43,809</b>
Change in Unearned Premium Reserve	4,243	6,018	2,685	(5,309)	(1,155)
Change in Unearned Premium Reserve Carried by Reinsurers	(2,133)	(5,031)	(3,449)	4,993	497
<b>Earned Premiums, Net of Reinsurance</b>	<b>53,854</b>	<b>49,127</b>	<b>43,923</b>	<b>43,291</b>	<b>43,151</b>
Investment Return Transferred From the Nontechnical Account	1,673	730	803	1,350	1,135
Other Technical Income, Net of Recovers and Reinsurance	784	942	921	2,685	2,770
Claims Incurred, Net of Recoveries and Reinsurance	(42,518)	(31,385)	(26,292)	(32,758)	(32,441)
Profit Commissions, Net of Reinsurance	(409)	(223)	(139)	(232)	(240)
Operating Expenses	(4,318)	(11,610)	(11,762)	(11,410)	(10,910)
Other Technical Expenses, Net of Reinsurance	(2,036)	(1,598)	(1,711)	(2,499)	(2,876)
Change in Other Technical Reserves	(125)	(104)	(106)	(102)	(102)
<b>Underwriting Result</b>	<b>6,904</b>	<b>5,879</b>	<b>5,637</b>	<b>325</b>	<b>487</b>
Income from Shares	20	35	15	6	8
Income on Properties	497	438	442	445	433
Income from Financial Investments	4,921	2,250	2,105	2,319	2,848
Writebacks	6	-	-	324	(1)
Gains on Sale of Investment	783	56	288	621	543
<b>Net Investment Income</b>	<b>6,227</b>	<b>2,779</b>	<b>2,850</b>	<b>3,715</b>	<b>3,831</b>
Investment Management Charges and Interest Expense	(607)	(570)	(707)	(719)	(741)
Writedowns	(1,197)	(838)	(730)	(708)	(1,043)
Losses on Sale of Investment	(1,499)	(58)	(11)	(25)	(138)
<b>Capital and Financial Charges</b>	<b>(3,302)</b>	<b>(1,466)</b>	<b>(1,448)</b>	<b>(1,452)</b>	<b>(1,922)</b>
Investment Return Transferred to the Technical Account	(1,673)	(730)	(803)	(1,350)	(1,135)
Other Income	5,343	5,643	4,318	4,495	4,108
Other Expenses	(5,758)	(4,950)	(4,741)	(4,696)	(4,969)
Extraordinary Income	363	188	253	367	358
Extraordinary Expenses	(1,455)	(1,574)	(1,211)	(987)	(50)
<b>Nontechnical Result</b>	<b>(255)</b>	<b>(110)</b>	<b>(782)</b>	<b>92</b>	<b>221</b>
<b>Pre-Tax Profit for the Year</b>	<b>6,649</b>	<b>5,769</b>	<b>4,855</b>	<b>417</b>	<b>708</b>
Income Taxes	(1,729)	(1,565)	(1,414)	(328)	(383)
<b>Profit for the Year After Taxes</b>	<b>4,920</b>	<b>4,204</b>	<b>3,441</b>	<b>89</b>	<b>325</b>

Sources: DBRS Morningstar, Company documents.

### Simplified Corporation Organisation Chart (Q1 2023)



Sources: DBRS Morningstar and Company documents.

### Rating Methodologies

The applicable methodologies are the *Global Methodology for Rating Insurance Companies and Insurance Organizations* (14 July 2023) and the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (4 July 2023), which can be found on the DBRS Morningstar website under Methodologies & Criteria.

### Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Siat Società Italiana di Assicurazioni e Riassicurazioni p.A.	Financial Strength Rating	A (high)	Confirmed	Stable

### Ratings History

Issuer	Obligation	Current	2022	2021
Siat Società Italiana di Assicurazioni e Riassicurazioni p.A.	Financial Strength Rating	A (high)	A (high)	A (high)

### Previous Actions

- [“DBRS Morningstar Confirms the Rating of Siat Società Italiana Assicurazioni e Riassicurazioni p.A. at A \(high\); Trend Remains Stable”](#), 4 October 2022.
- [“DBRS Morningstar Revises the Trend to Stable from Negative on Siat Società Italiana Assicurazioni e Riassicurazioni p.A.”](#), 5 November 2021.
- [“DBRS Morningstar Confirms Siat Società Italiana Assicurazioni e Riassicurazioni p.A. At ‘A \(high\)’; Trend Remains Negative”](#), 7 October 2021.

### Related Research

- [Cyber Insurance — A Meaningful Growth Opportunity for Insurers](#), 30 May 2023.
- [The Future of European Insurance Financial Reporting and Credit Implications from IFRS 17](#), 3 April 2023.
- [European Insurers Maintain Strong Solvency Ratios Despite Large Unrealised Losses and Enhanced Lapse Risk](#), 21 March 2023.
- [Unipol Gruppo: 2022 Earnings Improved on Premiums' Growth in the Non-Life Business](#), 13 February 2023.
- [2023 Italian Insurance Outlook Challenged by Decreasing Life Premiums and Inflation](#), 23 January 2023.

### Previous Reports

- Siat Società Italiana di Assicurazioni e Riassicurazioni p.A.: [Rating Report](#), 26 October 2022.
- Siat Società Italiana di Assicurazioni e Riassicurazioni p.A.: [Rating Report](#), 1 December 2021.

Note:

All figures are in euros unless otherwise noted.

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