

Bulletin:

# Elba Could Benefit From Diversification Into Speciality Lines Insurance

March 31, 2022

MILAN (S&P Global Ratings) March 31, 2022--S&P Global Ratings today said that the announced plan to quickly diversify the insurance premium of Elba Assicurazioni (BBB+/Stable) has no immediate rating impact but could be positive for its creditworthiness if successfully implemented. The plan to grow Elba's premium beyond surety insurance underlines the goal of Elba's owner Revo to become a leader in providing a wide range of specialty line insurance policies to Italian small and midsize enterprises (SMEs). Success in diversifying premium beyond surety insurance while maintaining a very strong capitalization and prudent risk management could be a positive rating factor in the coming years.

We consider that Revo's targeted 40% average annual growth in gross premium until 2025 is ambitious. Rather than grab market share from competitors, Revo intends to use innovation to expand the Italian insurance SME market, historically underpenetrated due to high costs. In this context, we take a positive view of Elba's track record. Elba has become the No.2 surety insurer in Italy via organic growth since its creation in 2008, while maintaining very strong capitalization, exhibiting a Solvency 2 ratio above 270% at end 2021.

## Related Research

- Elba Assicurazioni Upgraded To 'BBB+' After Acquisition By Revo; Outlook Stable, Dec. 6, 2021

This report does not constitute a rating action.

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