



AM Best revises Core Specialty's outlook to positive

Jairo Ibarra August 4, 2022

AM Best has revised the outlook of Core Specialty to positive from stable, citing the carrier's "very strong" balance sheet and "adequate" operating performance.

In tandem, the ratings agency affirmed the company's financial strength rating (FSR) of A- and long-term issuer credit ratings of a-.

AM Best also affirmed the A- FSR of Core Specialty's New Jersey-based unit Lancer Insurance Group with a stable outlook.

Core and P&C carrier Lancer completed their merger earlier this year, combining the companies in a stock and cash deal.

The new entity expanded its operations into the specialty commercial auto space, with a workforce of around 600 employees and over \$1.1bn in equity capital.

AM Best said in a statement that the positive outlooks reflect the improving business profile of the consolidated Core Specialty, following its expansion initiatives in 2021 and the recent integration of Lancer Insurance Group.

"Core Specialty has demonstrated an ability to source seasoned and profitable books of business, while continuing to track closely with goals for key performance indicator," AM Best said.

"While Lancer Insurance Group contributes to the overall Core Specialty strategy, its outlooks are stable due to the lack of history of contributing to and being supported by

the greater Core Specialty group.”

In an interview with Inside P&C earlier this year, CEO Jeff Consolino and executive chairman Ed Noonan said that since launching Core Specialty in November 2020 by buying and recapitalizing StarStone's US operations, premium income has grown from \$457mn to a total of \$1.8bn.

Including the merger of Lancer, the growth will be almost five-fold to \$2.1bn, the executives added.