

## Outlooks On Eight Japanese Insurers Revised To Negative Following Sovereign Outlook Revision; Ratings Affirmed

**Primary Credit Analysts:**

Reina Tanaka

Tokyo

(81) 3-4550-8587

reina\_tanaka@

standardandpoors.com

Secondary Contacts: Toshiko

Sekine

Tokyo

(81) 3-4550-8742

toshiko\_sekine@

standardandpoors.com

Kenichi Akaishi

Tokyo

(81) 3-4550-8350

kenichi\_akaishi@

standardandpoors.com

- Standard & Poor's today revised to negative from stable its outlooks on the insurer financial strength and long-term ratings on eight Japanese insurance companies, following the sovereign outlook revision to negative from stable. At the same time, we affirmed all the ratings on the eight insurers.
- We hold the view that the ratings on the eight insurers are constrained by the long-term sovereign rating on Japan, as their business franchises and assets are highly concentrated within the country.
- We also revised the outlooks on the long-term ratings on some overseas subsidiaries and branches of Tokio Marine & Nichido Fire Insurance Co. Ltd.

TOKYO (Standard & Poor's) April 27, 2011—Standard & Poor's Ratings Services today revised to negative from stable its outlooks on the insurer financial strength ratings and the long-term counterparty credit ratings on eight domestic insurers: Tokio Marine & Nichido Fire Insurance Co. Ltd.; Tokio Marine & Nichido Life Insurance Co. Ltd.; Nisshin Fire & Marine Insurance Co. Ltd.; Allianz Fire and Marine Insurance Japan Ltd.; AXA Life Insurance Co. Ltd.; Gibraltar Life Insurance Co. Ltd.; Prudential Life Insurance Co. Ltd.; and MassMutual Life Insurance Co. At the same time, we affirmed all the ratings on the aforementioned companies (see list below).

We revised the outlooks on the eight insurers following the revision to negative from stable of the outlook on the long-term sovereign rating on Japan (AA-/Negative/A-1+). (For details, please see our research update “ Outlook On Japan Sovereign Credit Rating Revised To Negative; Ratings Affirmed At ‘AA-/A-1+’,” published April 27, 2011.) In addition, we have

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also revised to negative from stable the outlooks on the overseas subsidiaries and branches of Tokio Marine & Nichido Fire Insurance, as the ratings on those companies incorporate explicit and/or implicit support from their parent company.

Standard & Poor's is of the opinion that the ratings on a number of domestic insurance companies in Japan are constrained by the long-term sovereign rating on the country. This is because the insurers hold a high percentage of domestic assets in their portfolios and their businesses are concentrated in the domestic market. Due to this constraint, and because the current 'AA-' long-term ratings on seven of the aforementioned insurers (excluding Nisshin Fire & Marine Insurance) are at the same level as the sovereign rating, we revised the outlook on the seven insurers to the same level as the outlook on the sovereign rating. As for Nisshin Fire & Marine Insurance, we revised the outlook on the current 'A+' long-term rating on the insurer to negative, following the outlook revision of the ratings on the core operating companies of the Tokio Marine group. In accordance with Standard & Poor's rating criteria on group methodology, we have incorporated implicit support from the Tokio Marine group into the rating on Nisshin Fire & Marine, based on its status as a strategically important subsidiary of the Tokio Marine group. Under our criteria, when we incorporate implicit support from the group into the rating on a strategically important subsidiary, the upper limit of the rating on the subsidiary should be one notch below the rating on the group's core subsidiary.

There is little likelihood that Standard & Poor's will raise the outlooks and ratings on the insurers even if the insurers greatly enhance their financial profiles from their current levels, as long as the ratings and outlook on Japan remain unchanged. Conversely, if the ratings on Japan were lowered, the ratings on the insurers are also likely to be lowered.

RELATED CRITERIA AND RESEARCH:

Special Report: Outlook On Japan's Sovereign Rating Revised To Negative, April 27, 2011

"Interactive Ratings Methodology," published on April 22, 2009.

"Group Methodology," published on April 22, 2009.

"Factoring Country Risk Into Insurer Financial Strength Ratings," published on Feb. 11, 2003.

RATINGS LIST

Ratings Affirmed; Outlook Revised

To From

Tokio Marine & Nichido Fire Insurance Co. Ltd.

Tokio Marine & Nichido Fire Insurance Co. Ltd. (New Zealand Branch)

Tokio Marine & Nichido Fire Insurance Co. Ltd. (U.S. Branch)

Tokio Marine Europe Insurance Ltd.

Tokio Marine Global Re Ltd.

Tokio Millennium Re (UK) Ltd.

Tokio Marine Retakaful Pte. Ltd.

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

Tokio Marine & Nichido Life Insurance Co. Ltd.

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

***Outlooks On Eight Japanese Insurers Revised To Negative Following Sovereign Outlook Revision;  
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Tokio Marine & Nichido Fire Insurance Co. Ltd.

Counterparty Credit Rating

Local Currency AA-/Negative/A-1+ AA-/Stable/A-1+

Nisshin Fire & Marine Insurance Co. Ltd.

Counterparty Credit Rating

Local Currency A+/Negative/— A+/Stable/—

Financial Strength Rating

Local Currency A+/Negative/— A+/Stable/—

Allianz Fire and Marine Insurance Japan Ltd.

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

AXA Life Insurance Co. Ltd.

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

Prudential Life Insurance Co. Ltd.

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

Gibraltar Life Insurance Co. Ltd. (The)

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

MassMutual Life Insurance Co.

Counterparty Credit Rating

Local Currency AA-/Negative/— AA-/Stable/—

Financial Strength Rating

Local Currency AA-/Negative/— AA-/Stable/—

Ratings Affirmed

Tokio Marine & Nichido Fire Insurance Co. Ltd.

Senior Unsecured AA-

Commercial Paper A-1+

A Japanese-language version of this media release is available on Standard & Poor's Research Online at [www.researchonline.jp](http://www.researchonline.jp), or via CreditWire Japan on Bloomberg Professional at SPCJ <GO>. Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at [www.globalcreditportal.com](http://www.globalcreditportal.com) and RatingsDirect subscribers at [www.ratingsdirect.com](http://www.ratingsdirect.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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