

PT Asuransi Simas Insurtech

Financial Strength Rating *irA-/Stable*

Rated Issues -

Rating Period

February 1, 2024 – February 1, 2025

Rating History

January, 2023

A-/Stable

December, 2020

A-/Stable

"Insurance Company with *irA* rating has a high level to honor its financial obligations to policyholder, but it can be affected by adverse changes in business and economic conditions, relative to Insurance Company with higher rating".

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

Kredit Rating Indonesia assigns a Financial Strength Rating of 'irA-' for PT Asuransi Simas Insurtech with "Stable" outlook

Kredit Rating Indonesia (KRI) assigns a Financial Strength Rating of 'irA-' for PT Asuransi Simas Insurtech (ASI or the Company) with "Stable" outlook. The rating reflects ASI's business strategy in utilizing technology, strong support from shareholders, and satisfactory operating performance. However, the ratings are constrained by its relatively moderate capitalization.

Established in 2014, ASI is one of the pioneers in Indonesia's insurance sector, renowned for being the first standalone general insurance company to adopt a technology-focused approach. As of 3Q23, ASI operates without a conventional branch network, instead using an advanced application programming interface (API) to integrate its core systems with various partners, including insurance brokerages and affinity channels. This approach facilitates efficient marketing of its insurance products. A significant 90% of ASI's clientele originates from these affinity channels, mainly fintech, e-commerce, marketplaces, and online travel agencies, benefiting from Indonesia's rapid technological growth.

As of September 2023, ASI holds a 1.85% market share in the general insurance industry, based on Gross Written Premium (GWP). The company's GWP increased to IDR1.36 trillion in 3Q23, from only IDR914.77 billion in FY22. This growth is largely attributed to an uptick in gross premiums from credit insurance products targeted at financial technology companies. ASI's loss ratio has been consistently under 100% since 2019, suggesting manageable claims due to retail customer base. The company's Return on Average Assets (ROAA) notably improved from 1.08% in 2020 to 22.63% by December 2023, reflecting the positive impact of a substantial rise in gross premium on its net income.

ASI's stable Risk-Based Capital (RBC) ratio over the past three years—324% in FY23, 333% in FY22, and 336% in FY21—along with its liquid assets being 1.19 times higher than its technical reserves, demonstrates financial resilience. KRI views that ASI maintains sufficient liquidity to manage sudden claims effectively, ensuring operational stability and reliability.

Potential downward rating pressure could arise from a significant increase in the loss ratio or a decline in the RBC ratio, which may impair ASI's ability to manage risks associated with its underwriting and investment activities.

ASI Financial Results Highlights

As of/For the year ended	Dec 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (IDR, Bn)	1,170.14	920.24	808.29	767.13
Total Equity (IDR, Bn)	648.52	510.44	363.35	310.68
Investment exc. Cash (IDR, Bn)	504.68	752.18	665.60	694.26
Net Premium Written (IDR, Bn)	2,133.72	911.02	318.98	583.59
Net Claims (IDR, Bn)	1,500.29	515.41	152.30	503.97
Underwriting Results (IDR, Bn)	289.53	181.32	123.28	1.28
Net income After Tax (IDR, Bn)	236.51	144.78	53.12	8.94
ROAA (%)	22.63	16.75	6.74	1.08
Loss Ratio (%)	72.78	48.06	49.61	80.11
Net Premium Written/Equity (x)	3.29	1.78	0.88	1.88
Retention Ratio (%)	96.54	99.59	99.83	82.88
Equity/Total Assets (%)	55.42	55.47	44.95	40.50
Risk Based Capital; RBC (%)	324.00	333.00	336.00	237.00

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