BCRA CREDIT RATING AGENCY	**95, Evlogi and Hristo Georgievi Blvd.** **1142 Sofia** **phone: (+359 2) 987 6363** **www.bcra-bg.com**

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IC Armeec AD

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Claims Paying Ability Rating*	**Review**	**Review**
Date of Rating Committee:	**11.02.2020**	**11.02.2021**
Date of Publication:	**12.02.2020**	**12.02.2021**
Long-term Rating:	**BB+**	**BB+**
Outlook:	**Stable**	**Positive**
Long-term National-scale Rating:	**A- (BG)**	**A- (BG)**
Outlook:	**Stable**	**Positive**

1) Prior to the present publication, the credit rating and the rating outlook were disclosed to the rated entity. Following those disclosure amendments in the credit rating and the rating outlook have not been executed;

2) During the last two years, BCRA Credit Rating Agency has not provided ancillary services to the rated entity or a related third party;

3) For the full rating history, please see the chart at bottom of this document.*

BCRA – CREDIT RATING AGENCY (BCRA) is the third qualified rating agency in the EU, registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council. The credit ratings, assigned by BCRA, are recognized throughout the EU and are fully alike with the other ratings, recognized by European Securities and Markets Authority (ESMA), without any territorial or other limitations.

At a session of Rating Committee of BCRA, held on **11.02.2021,** a report of the review of **IC Armeec AD** credit rating has been discussed. The session was run by D.Sc. (Econ.) Kiril Grigorov, in his capacity as Chairman of Rating Committee. Following a discussion on changes in factors affecting the rating during the review period, the members of the Rating Committee **took the following decision:**

The BCRA **affirms** the assigned ratings to **IC Armeec AD**, as follows**:**

- Long-term claims-paying ability rating: **BB+;**
- Long-term national-scale rating: **A- (BG);**

and **changes** their outlook from stable to **positive**, apprising the improved results of insurance activity and portfolio structure during the review period as well as the positive changes in most of the observed indicators maintained over the last four years.

***The officially adopted by BCRA Methodology for assigning of a rating to a bank has been used**: (https://www.bcra-bg.com/files/bank_methodology_2018_en.pdf).*

***The users of the rating can find information on the meaning of each rating category, including definitions of default in the published Global rating scale on the BCRA's website:** (https://www.bcra-bg.com/files/global_scale_en.pdf).*

The report has been prepared and the rating - assigned, based on information made available by the rated bank, Bulgarian National Bank, National Statistical Institute, BCRA' database, consultants and other public information sources.

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Operating environment

Sovereign risk

The emergence of the worldwide COVID-19 pandemic and addressing the issue turned into one of the main priorities in Bulgaria as well as in all its political and economic partners. The country was in a state of emergency from the 13th of March to the 13th of May 2020 due to the unprecedented crisis, and the government took a number of legislative measures to curb the negative economic impact. The state of emergency was thereafter replaced by an *emergency epidemic situation* by the end of November 2020 at least, along with new socio-economic measures.

The COVID-19 pandemic and the measures taken to limit the infection have adversely impacted the economic activity in the country. The unprecedented shock undermined the positive dynamics of GDP at the beginning of the year, as real growth slowed to 1.2% on an annual basis in the first quarter, and even more pronounced within the second quarter with a decline of 8.2%. Thus, Bulgaria's GDP fell by 4.2% on average for the first half of 2020, compared to 4% for the same period in 2019. The European Commission projects a decline of 7.2% for Bulgarian GDP in 2020. Household consumption expenditures decreased by 2.4% on an annual basis on average for the first six months of 2020 as a result of the introduced measures for social distancing, rising unemployment and declining disposable income. Collective consumption reported real growth of 3.8% positively contributing to the GDP dynamics during the analysed period. Concurrently, uncertainty and limited demand reflected on the investment decisions of companies, hence, gross fixed capital formation decreased by 8.2% and inventories shrank significantly.

In 2019, the labour market reported record low unemployment (4.2% of the active population over 15 years) and record high employment (54.2%) for the last 15 years. However, market conditions expectedly deteriorated in the course of 2020 mainly as a result of restrictive anti-epidemic measures. In the second quarter of 2020, the unemployment rate was 5.9% (compared to 4.2% a year earlier). According to the data of the Employment Agency, the number of registered unemployed in the age group 15-64 was 63% higher in the quarter compared to the same period of the previous year, reaching 287 000 people.

The HICP average annual inflation slowed sharply in the course of 2020, falling from 3.4% in January to 0.4% in July, and in August for the first time since the beginning of the year reporting a slight increase to 0.6%. The main contributors to the downward dynamics are the collapse in international oil prices and the contraction of private consumption due to the unprecedented health crisis. Concurrently, foods have been consolidating its role as a major inflationary engine, although they have also seen a decline in the rate of price growth.

Bulgaria has entered the current crisis with a stable fiscal position, accumulated reserves and low government debt. The initial budgetary target for 2020 was to achieve a balance but the unprecedented COVID-19 crisis necessitated its extraordinary revision due to the expected revenue shortfalls and the need to incur additional costs. With the April revision, the projected CFP balance was changed to a deficit of BGN 3.5 billion or 3% of the projected GDP. We expect the government debt-to-GDP ratio to rise to approximately 25% in 2020 due to financial needs arising from the anti-crisis fiscal measures and the decline in GDP.

Banking System

On the 10th of July 2020, the Bulgarian lev was included in the Exchange Rate Mechanism II. In parallel, the ECB's decision to establish close cooperation with the BNB was announced. Starting October 1, 2020, the ECB commenced the direct supervision of the significant institutions in the Republic of Bulgaria. The Bulgarian banks that fulfil the criteria are UniCredit Bulbank AD, DSK Bank AD, United Bulgarian Bank AD, Eurobank Bulgaria AD, and Raiffeisenbank (Bulgaria) EAD.

Currently, the banking sector remains stable. The capital ratios and liquidity of banks are at high levels being supported by the steady growth of the deposit base.

Lending to the non-financial sector has been slowing down in the conditions of uncertainty during the first half of 2020, largely for enterprises. At the same time, under the *Procedure for Deferral and Settlement of Liabilities Payable to Banks and their Subsidiaries – Financial Institutions* requests from households and enterprises for deferral of liabilities amounting to BGN 8,1 billion or 83.1% of the filed so far were approved as of end-June 2020, or 12.3% of the total gross loans and advances.

The profit generated in 2019 was high, thus, securing additional capitalisation and a reserve for maintaining the stability of the sector. Therefore, the BNB decided to fully capitalise that profit as one of the measures to further strengthen the capital of banks in the context of the crisis related to COVID-19. The reported financial result as of mid-2020 was positive albeit lower by 43.9% on an annual basis. The net income from interests, fees and commissions retained their importance but at an annual decline in both sources. At the same time, the value of the impairments incurred doubled compared to the same period in 2019.

The development of economic processes in the country, including in the context of the pandemic of COVID-19, have been analysed in detail by BCRA - Credit Rating Agency. A Rating Rationale of the Sovereign Rating assigned by BCRA to the Republic of Bulgaria is available at our official website:

https://www.bcra-bg.com/files/rating_republic_of_bulgaria_oct_2020_en.pdf

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Non-life Insurance Market in Bulgaria

In the period of the update, the Bulgarian non-life insurance market retains its features, namely:

- **Steady income growth in gross premiums** (yearly based by 15.6% in 2019. And by 0.7% in the H1 of 2020, on an annual basis);
- **High development potential**, given the relatively low levels of insurance density and insurance penetration;
- **High levels of market** concentration – the seven biggest companies are retaining a share of above 70% of the gross written premiums in the sector;
- **Highly dominating share of the automobile insurance** in the structure of the aggregated insurance portfolio – above 70.0% in the last three years.

The regulatory framework continues to be most affected by the application of the solvency requirements of insurers, reinsurers and groups of insurers and reinsurers, as well as the requirements for reporting, valuation of assets and liabilities and the formation of technical provisions in accordance with Directive 2009/138 of the EP and the EU (**Solvency II**). The implementation of the **IFRS 9** *Financial Instruments*, effective from January 2018, impacted the insurers' reports as well.

The main factors impeding the general development of the non-life insurance market continue to be the relatively weak economic activity in the country and the uncertainties about the future households' income. The development of the sector has been affected by the emergency situation of the COVID-19 pandemic since March 2020.

IC Armeec AD

In the period under review, no changes occurred in the **share capital** of IC Armeec AD (hereinafter Armeec, the Company) amounting to BGN 33 019 thousand with the main shareholder - CCB Group EAD and the ultimate parent company - Chimimport AD.

One member more joined the Management Board, while the composition of the Supervisory Board did not alter. The responsible actuary of the company is the same. The downward tendency in the number of employees has also continued.

There are no substantial changes in the business management systems, risk profile, solvency ratios, assessments for solvency purposes and the organisational structure of the company. Armeec has implemented and applies all management principles arising from the requirements of Directive 2009/138 of EP and EU (Solvency II). The management declares to have set a greater reserve for the riskier lines of business.

The plan for 2019 has been successfully executed in most of the key indicators, with a slight excess of the projected growth in sales.

During the review period, Armeec has been developing in two major lines concerning the growth of **gross written premiums**: it has been maintained in 2019 (6.9%) at analogous rates compared to the previous two years (6.8%) and has slightly decreased over the first nine months of 2020 (by 6.4% YoY). Growth rates have lagged behind those reported in the adjusted sector (16.5% for 2019 and 21.0% for 2018), which was largely influenced by the mass hikes in tariffs for compulsory motor third party liability insurance by insurance companies in the country. The last has a smaller impact on the rated company, due to the much lower share of this product in its insurance portfolio (23-25% in the period 2016-2019). The lower growths of the written business compared to some of the other insurers also lead to a continuing loss of the market share[1] of the company, which amounted to 8.5% as of end-September 2020, after 9.2% for 2019 and 10.0% for 2018.

The **Land Vehicles (Casco)** insurance with a share in the last three years of 58-60% is the main product in the portfolio's structure. The company realised a growth of gross written premiums of 7.0% for 2019 in Casco, which was by 1.9 pp. lower than in 2018. In the first nine months of 2020, a decrease in the

[1] According to data from the Financial Supervision Commission, which includes the gross written premiums realised by local insurers on registered business under the freedom to provide services within the EU.

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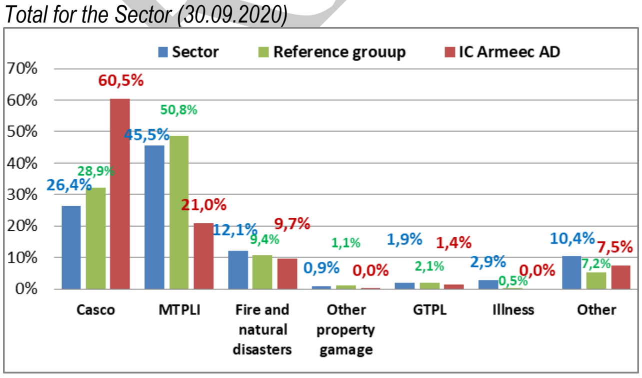
written business on the product by 3.3% was registered (compared to the same prior-year period). These changes allow the company to maintain a relatively constant market share of about 20% by this insurance and keep the leading position in the local market, respectively.

The **Motor third party liability** insurance has been the second product in the portfolio by written premiums with over 20% during the review period. In 2019, the revenues generated on it incremented by 14.6% but for the first nine months of 2020, a significant annual decrease of 20.7% was reported. These changes did not cover the high growth rates reported by most of the market participants (stemming from the hiked tariffs and entering new markets) and led to a further decrease in the company's market share in the commented product from 7.3% in 2017 to 5.2% for 2018, 5.1% for 2019, and 3.9% as of 30.09.2020. However, this is in line with the company's strategy for a lower level of risk exposure to this traditionally high-damage product.

Gross premiums written in the **Fire and natural forces** insurance preserved the third position in the portfolio during the review period despite certain volatility. In 2019, revenues saw a reduction by 6.1% and the market share - to 5.8% (from 6.4% a year earlier) while for the first nine months of 2020 they increased by 26.4% on an annual basis and the market share reached 6.8%. The share of the product in the portfolio structure changes similarly decreasing to 7.2% in 2019 (8.2% in 2018) and increasing in the first nine months of 2020 to 9.7%.

Restoration of the positive trends in the main business lines after the contraction of the insurance portfolio in 2016 (stemming from changes in the strategy and principles of management of the company) show the effectiveness of measures taken to maintain the size of the business. In the review period, a visible **improvement of the company's technical result** was achieved as well.

Portfolio Structure of IC Armeec compared to the Reference Group and Total for the Sector (30.09.2020)



The insurer's written premiums under the *Suretyship*, *Credit* and *Miscellaneous financial loss* products is kept low as well as the business in active reinsurance is almost completely suspended.

In 2019 and in the nine months of 2020, Armeec reported **decreases in the gross claims** on its insurance portfolio and **increases in the net claims** (more pronounced in 2020). The net claims ratio reached 51.9% at the end of September (44.6% in 2019, 43.1% in 2018), however, remaining lower than the average for the reference group[2] of companies as of 2019 (being the lowest in it) and for the nine months of 2020 (slightly exceeding the average for the group).

Net Claims Ratio	*9.2020*	*2019*	*2018*	*2017*
IC Armeec	**51.9%**	**44.6%**	**43.1%**	**43.2%**
IC Lev Ins	62.8%	52.3%	43.0%	39.5%
IC Euroins	40.6%	48.0%	50.6%	46.8%
IC Bulstrad VIG	53.8%	55.6%	51.2%	55.2%
DZI – General Insurance	41.5%	50.4%	51.5%	55.3%
IC Allianz Bulgaria	46.4%	52.5%	46.8%	56.1%
IC Bul Ins	46.4%	65.3%	55.7%	58.1%
Average for the Group:	**49.1%**	**52.8%**	**49.2%**	**51.6%**

After two years of unfavourable increases in **net acquisition ratio**, significant decreases were recorded during the review period - by 10.6 pp. YoY for 2019 to 13.3% and to 17.7% at the end of September 2020 (23.8% as of September 2019). Positive changes were mostly driven by the increased amount of reinsurance commissions and were supplemented by a decrease in the amount of acquisition costs in the first nine months of 2020. Concurrently, the net earned premiums slightly reduced in 2019 (by 0.4%) and increased for the nine months of 2020 (with 6.4%). Thus, the net acquisition ratio of Armeec is already lower compared to the average levels achieved by the insurers in the reference group (about 20%, significantly affected by the negative values of the indicator for Bul Ins).

The value of the **cost ratio** has continued decreasing during the review period. It fell 2 pp. in 2019 (4.6 pp. in 2018) to 30.3%, and for the nine months of 2020 – to 26.3% (30.6% as of 30.09.2019) as the changes have been mainly attributable to the declining technical costs. The cost ratio of Armeec remains higher compared to the average levels for the reference group of 19.7% in 2019 (22.7% in 2018) and lower compared to two of the companies in it: Lev Ins with 31.0% and Bul Ins with 44.5%.

[2] Including: Lev Ins, Euroins, Bulstrad VIG, DZI – General Insurance, Allianz Bulgaria and Bul Ins.

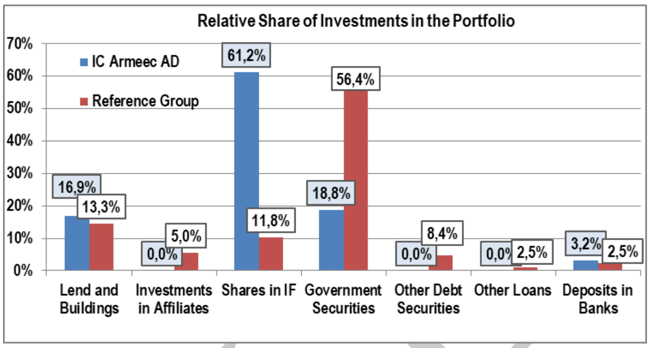
The complex influence of the presented changes in the cost ratios result in a significant decrease in the **combined cost ratio** for 2019, which reached a level of 88.2% (99.3% for 2018), thus, highly contributed to the insurance result achieved. This is the lowest level of the indicator achieved by the company in the last five years, and it also becomes the lowest in the reference group. At the end of September 2020, the current value of the considered indicator increased to 95.8%, which, in turn, is the highest value in the group.

During the review period, the **self-retention level** retained its downward trend reaching 59.0% for 2019 (60.8% for 2018) and 56.4% as of September 2020 (60.5% a year earlier). Financial 2019 is also characterised by a significant increase in the amount of commissions received from reinsurers whereas the reinsurance program has hardly changed. The conditions of the reinsurance contracts with leading first-class reinsurers have been preserved, with an increased weight of the latter.

The reinsurers' share in the technical provisions kept diminishing to 28.9% as of end-September 2020 and remained lower than the average for the reference group.

In 2019, the **size of the investment portfolio** of Armeec increased by 12.7% YoY, significantly exceeding the previous year's growth of 2.4%. In the first nine months of 2020, a new rise of 6.3% was recorded on an annual basis but a decrease of 1.0% solely for the period 01.01.-30.09.2020. This stems mainly from the increased amount of corporate securities and units in investment funds while other groups of investment assets hardly changed. Given the relatively preserved value of government securities held, the share of the latter in the portfolio continued to decline reaching 18.8% at the end of September 2020 (compared to 21.0% at the end of 2018). The structure of the investment portfolio is currently dominated by the group of investments in corporate securities with a share of 61.2% at the end of September 2020, which included a large volume of shares of enterprises from the owner company's group (Chimimport AD). Thus a certain concentration in the portfolio has been maintained.

These changes in the investment portfolio structure lead to continuing slight decline in the most liquid assets in it (government securities and bank deposits) in 2019. Subsequently, for the nine months of 2020, a partial recovery of the lost value (to 21.9%) was seen as of the end of September 2020 contributed by a significant increase in the amount of bank deposits at the end of the analysed period. By the considered ratio, Armeec remains highly distanced from the average level for the sector (58.3% as of the end of September 2020).



The investment portfolio **yield** during the review period was negative and the impact of revaluations on profitability has increased.

In 2019, Armeec generated a **net profit** of BGN 5 363 thousand, which represented a 3.0% annual growth. The profit was positively affected by a notable improvement of the insurance result (exceeding BGN 14 million), while the high amount of loss from revaluations on the investment portfolio (slightly over BGN 7 million) had a negative contribution. For the nine months of 2020, the company reports a **current profit** of BGN 5 363 thousand (the same as the annual result for 2019), which exceeds by 27.3% the current result for the same prior-year period. The higher amount of insurance profit (effect of reduced acquisition costs and other technical costs) had the leading impact.

The return on equity was virtually unchanged in 2019 and marked an increase in the first nine months of 2020 as a result of the significant increase in the current financial result (compared to the same prior-year period).

The net earned premiums ratio to equity (**operating leverage**) declined as the growth of the net earned premiums has lagged (and even decreased in 2019) compared to the increase in equity.

The level of the **insurance leverage** (technical provisions to equity) has been steadily decreasing over the last five years – from 226% in 2018 to 208% as of end-September 2020. A similar favourable trend is observed in most of the companies in the reference group, hence, the distance of Armeec compared to the group average has not considerably changed. Allianz Bulgaria, Bulstrad VIG and Bul Ins achieve close values of the ratio which also remain the best in the group.

The capital adequacy of the rated company during the analysis period, when applying Directive

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2009/138 of the EP and the EU (**Solvency II**), can be summarised as follows:

Indicator / Year:	***09.2020***	***2019***	***2018***
Excess of Assets over Liabilities	102 407	94 676	86 174
Eligible own funds SCR	122 183	114 300	99 717
Eligible own funds MCR	106 922	99 006	84 179
Solvency Capital Requirement (SCR)	94 776	94 105	81 591
Minimum Capital Requirement (MCR)	23 694	23 526	22 306
SCR coverage ratio	**128.9%**	**121.5%**	**122.2%**
MCR coverage ratio	**451.3%**	**420.8%**	**377.4%**

The coverage of both prudential indicators (SCR and MCR) remained relatively stable. The **Solvency Capital Requirement** coverage has marked an increase at the end of the period with a value of 128.9% at end-September 2020. It remains below the averages reported by the reference group (143.9% as of 30.09.2020 and 143.7% in 2019) and exceeds the levels of the ratio of two companies in it (Lev Ins and Euroins). Significantly higher values continue to characterise DZI - General Insurance (181.7% as of end-September 2020), Bulstrad VIG (159.4%) and Allianz Bulgaria (150.7%).

The **liquidity ratio** slightly increased. The **liquidity ratios of technical provisions and of outstanding claims provisions** have slightly changed in a positive direction but remain far lower compared to both averages for the adjusted sector and for the reference group of insurers.

The rated company positions highly unfavourably also in terms of the **immediate liquidity** regardless of the overall positive change observed during the review period.

Positive impact on the Company's rating could have *the following: a sustainable increase of insurance result and generated profit; improvement of size and quality of investment portfolio; a decrease of concentration of insurance portfolio; as well as additional improvements in liquidity and solvency.*

Negative impact on the assigned rating could have: *deterioration in the quality of insurance portfolio and shrinking of insurance result (or realisation of a negative one); lowering levels of the solvency and liquidity indicators and further depletion of the highly liquid part of company's investment portfolio.*

The levels of the key performance indicators of Armeec for the last five years are presented in the following table:

Main Financial Indicators:

Indicator / Year:	***9.2020***	***9.2019***	***12.2019***	***12.2018***	***12.2017***	***12.2016***	***12.2015***
Gross Written Premiums (BGN'000)	**155 365**	**165 969**	**222 304**	**207 970**	**194 797**	**182 366**	**207 717**
Annual change	*-6.4%*	*6.2%*	*6.9%*	*6.8%*	*6.8%*	*-12.2%*	*5.5%*
Net Earned Premiums (BGN'000):	**99 972**	**93 979**	**125 794**	**126 262**	**112 932**	**147 456**	**172 614**
Annual change	*6.4%*	*2.5%*	*-0.4%*	*11.8%*	*-23.4%*	*-14.6%*	*-1.8%*
Self-retention level	**56.3%**	**60.5%**	**58.9%**	**60.8%**	**62.3%**	**67.5%**	**78.3%**
Net Financial Result (BGN'000)	**5 363**	**4 213**	**5 363**	**5 206**	**7 440**	**8 464**	**9 569**
Result from Insurance Activity	**4 181**	**28**	**14 781**	**889**	**3 142**	**4 257**	**10 689**
Gross Claims	48.3%	53.3%	46.6%	55.3%	51.8%	63.6%	62.9%
Net Claims	51.9%	45.6%	44.6%	43.1%	43.2%	55.9%	45.2%
Cost Ratio	26.3%	30.6%	30.3%	32.3%	36.9%	25.8%	26.9%
Acquisition Ratio	17.7%	23.8%	13.3%	23.9%	17.2%	15.3%	21.8%
Combined Cost Ratio	95.8%	100.0%	88.2%	99.3%	97.2%	97.1%	93.8%
Net Earned premiums / Equity (Operating Leverage)	110%	112%	148%	158%	146%	212%	291%
Technical Provisions / Equity (Insurance Leverage)	208%	219%	213%	226%	232%	263%	312%
Debt net of insurance reserves / Equity (Financial Leverage)	22.1%	23.8%	23.5%	25.1%	25.9%	28.8%	0.0%
Equity	**90 543**	**84 030**	**85 180**	**79 817**	**77 241**	**69 517**	**59 321**
Return on Equity	7.5%	11.5%	6.5%	6.6%	10.3%	13.1%	17.9%
Investment Portfolio	**175 190**	**164 861**	**176 879**	**156 971**	**153 262**	**211 196**	**171 238**
Annual change	*6.3%*	*-10.3%*	*12.7%*	*2.4%*	*-27.4%*	*23.3%*	*-0.7%*
Highly-liquid Assets in the Investment Portfolio	21.9%	21.3%	19.8%	21.7%	33.5%	32.4%	33.4%
Profitability of Investment Portfolio TTM	-5.6%	3.8%	-4.4%	3.8%	4.3%	2.5%	-1.1%
SCR Coverige Ratio	129%	124.5%	121%	122.2%	144.5%	0.0%	0.0%
MCR Coverige Ratio	451%	412.1%	421%	377.4%	449.7%	0.0%	0.0%
Liquidity Ratio of Tehcnical Provisions	22.9%	21.2%	22.2%	21.0%	30.8%	39.7%	33.6%
Liquidity Ratio of the Outstanding Claims Provision	35.8%	38.2%	40.1%	36.0%	53.4%	63.0%	66.2%

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Rating History:

CLAIMS PAYING ABILITY RATING	Initial Rating 6.2006	Update 11.2007	Update 12.2008	Update 10.2009
Long-term Rating:	BB+	iBBB-	iBBB-	iBBB
Outlook:	*Stable*	*Stable*	*Stable*	*Stable*

CLAIMS PAYING ABILITY RATING	Update 30.08.2010	Update 10.08.2011	Update 10.08.2012	Update 14.10.2013
Long-term Rating:	iBBB	iBBB	iBBB	iBBB
Outlook:	*Stable*	*Stable*	*Stable*	*Stable*

CLAIMS PAYING ABILITY RATING	Update 07.11.2014	Update 06.11.2015	Monitoring 05.07.2016	
Long-term Rating:	iBBB	iBBB-	iBBB- (under review) *	
Outlook:	*Stable*	*Stable*	-	

** The rating is placed „under review" due to a procedure on changes in the BCRA's methodology for assigning a rating of the ability of insurance companies to pay claims (https://www.bcra-bg.com/files/cpaic_methodology_2018_en.pdf), concerns all currently valid insurers' ratings and is not related to the activity of the rated entity.*

CLAIMS PAYING ABILITY RATING	Update	Update	Monitoring	Review	Review	Review
Date of Rating Committee:	16.12.2016	24.01.2018	20.06.2018	18.12.2018	07.02.2019	11.02.2020
Long-term Rating:	BB+	BB+	BB+ (under review)*	BB+	BB+	BB+
Outlook:	*Stable*	*Stable*	-	*Stable*	*Stable*	*Stable*
Long-term National-scale Rating:	A- (BG)	A- (BG)	A- (BG) (under review)*	A- (BG)	A- (BG)	A-(BG)
Outlook:	*Stable*	*Stable*	-	*Stable*	*Stable*	*Stable*

** The rating is placed „under review" due to a procedure on changes in the BCRA's methodology for assigning a rating of the ability of insurance companies to pay claims (https://www.bcra-bg.com/files/cpaic_methodology_2018_en.pdf), concerns all currently valid insurers' ratings and is not related to the activity of the rated entity.*