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(Business Address: No., Street City / Town / Province)

Ms. Regina Ramos

Contact Person

988-7400

Company Telephone Number

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Month		Day	

**SEC Form 17-C  
AM Best Rating Results**

0	7	0	7	2014
Month		Day		

Fiscal Year

FORM TYPE

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER



- 1. April 13, 2015 Date of Report (Date of earliest event reported)
2. SEC Identification Number 80118 3. BIR Tax Identification No. 000-480-869-000
4. NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES, doing business under the names and styles of Philippine National Reinsurance Company; PhilNaRe Exact name of issuer as specified in its charter
5. Metro Manila, Philippines Province, country or other jurisdiction of incorporation
6. (SEC Use Only) Industry Classification Code:
7. 31st Floor, Ayala Life-FGU Center, 6811 Ayala Avenue, Makati City 1227 Address of principal office Postal Code
8. (632) 988-7400 Issuer's telephone number, including area code
9. N/A Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Table with 2 columns: Title of Each Class, Number of Shares of Common Stock Outstanding. Rows: Common Shares (2,123,605,600), TOTAL (2,123,605,600)

11. Indicate the item numbers reported herein: ---Item 9 (other events)

A.M. Best affirmed the financial strength rating of B++ ( Good ) and the issuer credit rating of "bbb" but revised the outlook from stable to negative of the National Reinsurance Corporation of the Philippines (PhilNaRe).

(Please refer to attached Press Release published on April 02, 2015 in the A.M. Best Company Website at www.ambest.com)

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized, in the City of Makati on **April 13, 2015**.

**National Reinsurance Corporation of the Philippines,  
doing business under the names and styles of Philippine  
National Reinsurance Company; PhilNaRe**  
Issuer



.....  
**Noli Mario N. Benito**  
VP/ Compliance Officer


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# Best's Insurance News & Analysis

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Press Release - APRIL 02, 2015



## A.M. Best Revises Outlook to Negative for National Reinsurance Corporation of the Philippines

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### Related Companies

For information about each company, including the AMB Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
086771	<a href="#">National Reinsurance Corp of Philippines</a>

### FOR IMMEDIATE RELEASE

HONG KONG - APRIL 02, 2015

**A.M. Best** has revised the outlook to negative from stable and affirmed the financial strength rating of B++ (Good) and the issuer credit rating of "bbb" of **National Reinsurance Corporation of the Philippines** (PhilNaRe) (Philippines).

The revised outlook follows PhilNaRe's continued unsatisfactory underwriting performance in recent years. PhilNaRe's underwriting performance has been volatile and remained unsatisfactory in recent years. The poor combined ratio was driven by the losses from domestic cedents and several catastrophe losses, including Typhoon Haiyan in 2013.

Other negative rating factors include the challenging investment environment and the company's significant catastrophe exposures.

The majority of PhilNaRe's investment income was generated from fixed income securities. The current low interest rate environment in the Philippines has weakened the company's investment returns and the related support of its operating profit.

Furthermore, PhilNaRe is exposed to earthquake, flooding and typhoon risks as the majority of its underwriting business is generated from the domestic market. Unexpected large catastrophe losses that exceed the limit of catastrophe retrocession coverage, or multiple hits of medium-to-large-sized catastrophes in a single year, could impact the company's overall performance. Considering the potential impact, PhilNaRe has strengthened its catastrophe risk management, for example, improving data quality and monitoring growth in aggregate exposure.

Partially offsetting these negative factors are PhilNaRe's solid risk-based capitalization and established market presence in the Philippines.

PhilNaRe's risk-adjusted capitalization level, as measured by Best's Capital Adequacy Ratio (BCAR), remains strong due to its low underwriting leverage and investment asset risk.

As the sole professional reinsurer in the Philippines, PhilNaRe enjoys a compulsory cession as all direct insurance companies in the country are required to offer PhilNaRe at least 10% of their foreign outward reinsurance.

An upgrade of PhilNaRe's ratings is unlikely in the near term. The outlook of PhilNaRe's rating may be changed back to stable from negative if the company can demonstrate notable improvement in its underwriting profitability, maintain its solid risk-based

capitalization and continue to strengthen its catastrophe risk management capability. Conversely, downward rating actions could occur if the company's operating performance further deteriorates resulting in a material decline in its risk-based capitalization level.

The methodology used in determining these interactive ratings is Best's Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best's rating process and contains the different rating criteria employed in the rating process. Best's Credit Rating Methodology can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

Key insurance criteria reports utilized:

- [Catastrophe Analysis in A.M. Best Ratings](#)
- [Evaluating Country Risk](#)
- [Risk Management and the Rating Process for Insurance Companies](#)
- [Understanding Universal BCAR](#)

Ratings are communicated to rated entities prior to publication, and unless stated otherwise, the ratings were not amended subsequent to that communication.

**This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please visit A.M. Best's [Ratings & Criteria Center](#).**

**A.M. Best Company is the world's oldest and most authoritative insurance rating and information source.**

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