



# NEWS RELEASE

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## FOR IMMEDIATE RELEASE

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### **A.M. Best Revises Outlook to Positive for Lion Insurance Company**

**OLDWICK, N.J., July 23, 2015**—A.M. Best has revised the outlook to positive from stable and affirmed the financial strength rating of A- (Excellent) and the issuer credit rating of “a-“ of **Lion Insurance Company** (Lion) (Holiday, FL).

The revised outlook reflects Lion’s excellent risk-adjusted capitalization, expectations of sustained above-average underwriting and overall operating profitability, and prudent reserving practices. The ratings also reflect Lion’s stringent underwriting and pricing guidelines, disciplined claims practices and conservative investment philosophy, which have generated underwriting and overall operating profitability measures that have significantly outperformed the workers’ compensation composite in recent years.

Partially offsetting these positive rating factors is the company’s product concentration as a workers’ compensation insurer writing primarily for an affiliated professional employer organization, South East Personnel Leasing, Inc. In addition, the majority of Lion’s business is currently produced in Florida and California, which exposes the company to potentially greater legislative, regulatory and economic risks. Also, there is execution risk associated with Lion’s significant ongoing expansion of affiliated business in states outside of Florida, particularly in California, over the past five years as part of its strategy to diversify operations. There was sizable non-affiliated business growth begun in late 2009, which was discontinued beginning in mid-2012 as a result of underwriting losses that warrants continued monitoring as to the run-off of this business.

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Factors that could lead to positive rating actions include Lion achieving continued solid underwriting and overall operating performance, favorable reserve development and sustained above-average risk-adjusted capitalization. Negative rating actions could be taken should there be deterioration in the company's operating performance, the reporting of adverse loss reserve development or a material decline in its capitalization.

**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](#).**

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