

# Start-Up Reinsurer Riyadh Re Assigned 'A-', 'ksaAAA' Ratings; Outlook Stable

[Click here to visit source page](#)

## [View Analyst Contact Information](#)

### Table of Contents +

- S&P Global Ratings expects Riyadh Reinsurance Co. (Riyadh Re), a start-up reinsurer incorporated in Saudi Arabia to sustain capital adequacy in line with our 99.99% confidence level, supporting its growth plans. It is 100% owned by The Company for Cooperative Insurance (Tawuniya), which will provide the initial capital to launch the reinsurer.
- In our view, Riyadh Re is a strategically important subsidiary of Tawuniya, meaning that it can benefit from up to three notches of uplift above its 'bbb' stand-alone credit profile, although uplift is capped at one notch below the 'a' group credit profile on Tawuniya.
- We assigned our 'A-' long-term insurer financial strength rating and our 'ksaAAA' Saudi national scale financial strength rating to Riyadh Re.
- The stable outlook on both ratings indicates that we expect Tawuniya to remain committed to Riyadh Re as a strategically important subsidiary, and that the reinsurer will maintain capital adequacy in line with our 99.99% confidence level.

DUBAI (S&P Global Ratings) Nov. 10, 2025--S&P Global Ratings today assigned its 'A-' long-term insurer financial strength rating and 'ksaAAA' Saudi national scale financial strength rating to Riyadh Reinsurance Co. (Riyadh Re). The outlook on both ratings is stable.

**Riyadh Re, a start-up reinsurer incorporated in Saudi Arabia, is a 100%, fully consolidated subsidiary of Tawuniya.** The Saudi regulator, the Insurance Authority, has licensed Riyadh Re as a reinsurance entity that conducts both treaty and facultative business. Riyadh Re is likely to enable Tawuniya to grow and diversify its business, geographically and by line of business. Saudi Arabia has increased the proportion of their reinsurance cover that local insurers must cede to local reinsurers and Riyadh Re aims to capture the increase in mandatory capacity. Local mandatory cession offerings for treaty business increased to 30% from 20% on Jan. 1, 2023; for facultative business, increase became effective on Jan. 1, 2025.

**Riyadh Re's first full year of operations should be 2026.** In the initial stages of its operations, Riyadh Re will write business from Saudi Arabia and the Gulf Cooperation Council (GCC) region, starting with commercial property/casualty lines, before expanding into other lines of business, depending on market conditions. From 2028, we expect Riyadh Re to write international business beyond the GCC, strengthening Tawuniya's presence outside Saudi Arabia. In our base-case scenario, we assume gross premium written of about Saudi riyal (SAR) 500 million in 2026, increasing to about SAR1.3 billion in 2028. Given its start-up status, Riyadh Re has no track record of operating performance. However, Tawuniya's above-average operating performance in Saudi Arabia and the experienced management team it has put in place to lead Riyadh Re point to a good start. Over the medium term, we expect Riyadh Re's performance to be in line with Tawuniya's, with combined (loss and expense) ratios of 94%-96%.

**Tawuniya provided SAR550 million in initial capital to launch Riyadh Re.** It plans to inject an additional SAR250 million of capital from year four. The funding strategy will be determined closer to that time, based on market conditions. We expect Riyadh Re to maintain risk-based capital adequacy in line with our 99.99% confidence level, supporting its growth plans. We understand that Tawuniya will not initially require Riyadh Re to upstream dividends, so as to preserve the reinsurer's capital adequacy. Our base-case scenario assumes net profits of about SAR30 million-SAR60 million per year in 2026-2028.

**In our opinion, Riyadh Re's exposure to potential capital and earnings volatility is mitigated by its planned low-risk investment portfolio and retrocession agreements.** Riyadh Re's investment strategy will be aligned with Tawuniya's, which is geared toward cash and fixed-income securities. Investments will be managed in house and subject to a shared services agreement with Tawuniya. Moreover, we expect Riyadh Re's risk appetite for exposure to natural catastrophes to remain limited, relative to shareholders' equity. Riyadh Re has indicated that its retrocession strategy will include both a whole account quota share and an excess-of-loss placement to protect against catastrophe losses. In addition, its panel of reinsurers will comprise only highly rated reinsurers; most of its reinsurance counterparties will be rated at least 'A-'.

**We classify Riyadh Re as a strategically important subsidiary of Tawuniya.** It is therefore eligible for up to three notches of uplift above its 'bbb' stand-alone credit profile, although uplift is capped at one notch below the 'a' group credit profile on Tawuniya. Riyadh Re was established as a separate legal entity to meet regulatory and licensing requirements to obtain the treaty reinsurance license in Saudi Arabia. The start-up reinsurer performs an important role within Tawuniya's expansion strategy and aligns with the group's objectives and Tawuniya's general insurance division. Tawuniya will inject all the capital needed to enable Riyadh Re's business growth in the initial years, and will not extract any dividends from the reinsurer during this period. Riyadh Re has also integrated the group's risk management framework into its operations, and shares other operational services with the group.

The stable outlook indicates our expectation that Tawuniya will remain committed to Riyadh Re, as a strategically important subsidiary, and that the reinsurer will maintain capital adequacy in line with our 99.99% confidence level.