



SINOASIA INSURANCE™
VISIONARY INSURANCE
COMPANY LIMITED

Media Release

**Visionary Insurance Company Limited
Rated “a” by RAM Rating Service Bhd**

Visionary Insurance Company Limited [Visionary] is pleased to announce that its maiden LECA Rating of “a” by RAM Rating Services Bhd [RAM Ratings], Malaysia.

Visionary is a re(insurance) company domiciled in Labuan International Business and Finance Centre [Labuan IBFC], Malaysia and recently licensed by Labuan Financial Services Authority on 28 July 2020 to carry on general insurance and reinsurance business. Visionary is wholly owned by Sinoasia Alliance Group Limited [Sinoasia] with head office in Hong Kong Special Administrative Region [Hong Kong SAR], China. Sinoasia operates directly or with strategic partners a group of insurance brokers, insurance companies and other insurance related services companies in China Mainland, Hong Kong SAR, Indonesia, Kazakhstan, Korea (South), Labuan IBFC, Mongolia and the United Kingdom with representatives for Africa, North America, Latin America, ASEAN countries and South Asia, Central Asia, Europe and Middle East.

With a relatively short term of operation as an (re)insurance company in Labuan IBFC and the concerted effort of a professional team, Visionary has started off successfully and, in recognition, it has been assigned with a maiden LECA rating of “a” by RAM Ratings. This rating is supported by Visionary’s low risk exposures from a good business mixture and conservative risk management.

LECA is an assessment service from RAM Ratings for companies based in Labuan IBFC. The LECA ratings are typically valid for up to 1 year after they are assigned. During this time, any material developments could change the rating assigned. Attached please find the media release of RAM Ratings on the maiden LECA rating to Visionary. The rating is available on RAM Ratings website: <https://analytics.ram.com.my/LECARating>

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Media Release

RAM Ratings assigns maiden LECA™ rating to Visionary Insurance

RAM Ratings has assigned a maiden LECA™ rating of "a" to Visionary Insurance Company Limited (Visionary or the Insurer), a recently licensed general (re)insurer domiciled in Labuan International Business and Financial Centre (Labuan IBFC). The rating indicates the Insurer has adequate capacity to meet policyholder obligations and financial commitments.

The rating is supported by the Insurer's low risk exposures, conservative risk management practices, as well as business and operational synergies with its parent company Sinoasia Alliance Group Limited (Sinoasia or the Group). Sinoasia, based in Hong Kong, is an established specialist insurance broker with a China-centric clientele and business network that Visionary can tap into. With its insurance license, Visionary will enable Sinoasia to expand its services into underwriting and other risk transfer products.

Another important consideration for Visionary's rating is the planned execution of a USD100 mil Promissory Note by a private equity investor, of which USD50 mil will be committed by June 2022. The Promissory Note may be used by Visionary to support its working capital and if required, to meet any potential claims from its contract liabilities. This provides financial flexibility to the Insurer, pending the organic accretion of reserves.

As a newly established insurer in Labuan IBFC, Visionary has a limited franchise. As at end-June 2021, the Insurer's business comprises solely of structured reinsurance, where it assumes no underwriting risk but earns a fee for administering insurance contracts underwritten by cedants.

In the 6-months period ending June 2021, Visionary recorded net earned premiums of USD1.9 mil from structured reinsurance and a small profit of approximately USD43,000. Visionary is expected to be profitable in fiscal 2021, with projected gross written premiums (GWP) of USD11.75 mil. Visionary intimated that during its initial years, about 75% of GWP will be derived from structured reinsurance while assumption of complex or longer-tail underwriting will be capped below 30% of GWP.

Visionary's risk management framework, while still in development, is adequate given its scale, risk profile and targeted lines of business. Concentration risks, which are inevitable during the start-up phase, temper the rating.

LECA™ is an assessment service from RAM Rating Services Berhad for companies based in the Labuan International Business and Financial Centre. LECA™ ratings are typically valid for up to 1 year after they are assigned. During this time, the assessment will be monitored by RAM Ratings and any material developments could change the rating assigned.

For information on LECA™ ratings assigned, visit <https://analytics.ram.com.my/LECARating>.

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