

# Sompo Insurance Singapore Pte. Ltd.

December 1, 2025

This report does not constitute a rating action.

## Major Rating Factor

Implicit support from Japan-based Sompo group under almost all circumstances, as a highly strategic subsidiary.

## Rationale

The rating on Sompo Insurance Singapore Pte. Ltd. (Sompo Singapore) reflects the insurer's important role in supporting the strategy of the Japanese insurance group in Asia-Pacific. We view Sompo Singapore as a highly strategic subsidiary of Sompo group and rate the insurer one notch lower than the 'a+' group credit profile.

The Singapore-based subsidiary shares its parent's brand name and benefits from long-term commitment of parental support. The group has provided a net worth maintenance agreement and made capital injections when required, such as after major floods in Thailand in 2011. Additionally, Sompo Singapore receives group support in areas such as business referral, underwriting, reinsurance, investment, and risk management governance.

Sompo group is highly unlikely to sell its interest in Sompo Singapore. We expect Sompo Singapore to play a central role as the business hub supporting the expansion of the group's commercial and specialty lines business across Asia-Pacific over the next five years. The Singapore subsidiary also provides support to its parent in servicing and cross selling to Japanese clients while growing the local market.

Given Sompo Singapore does not retain the bulk of the risk for commercial and specialty lines, its contributions to group capital and earnings remain small at about 1.0%.

Sompo Singapore's underwriting performance came under pressure from the initial phase of expanding its Asia commercial business, as we expected. The insurer had a combined ratio of about 102.7% as of end-2024. A combined ratio above 100% indicates underwriting losses. Strong underwriting performance in local business lines such as motor, workers compensation, travel, and health counterbalanced underwriting losses from the marine and fire lines.

We believe Sompo Singapore will improve its combined ratio from 2025 as it starts to benefit from economies of scale in its Asia commercial business. The insurer had a combined ratio of about 99% for the first half of the 2025.

### Primary Contact

**Billy Teh**  
Singapore  
65-6216-1069  
billy.teh  
@spglobal.com

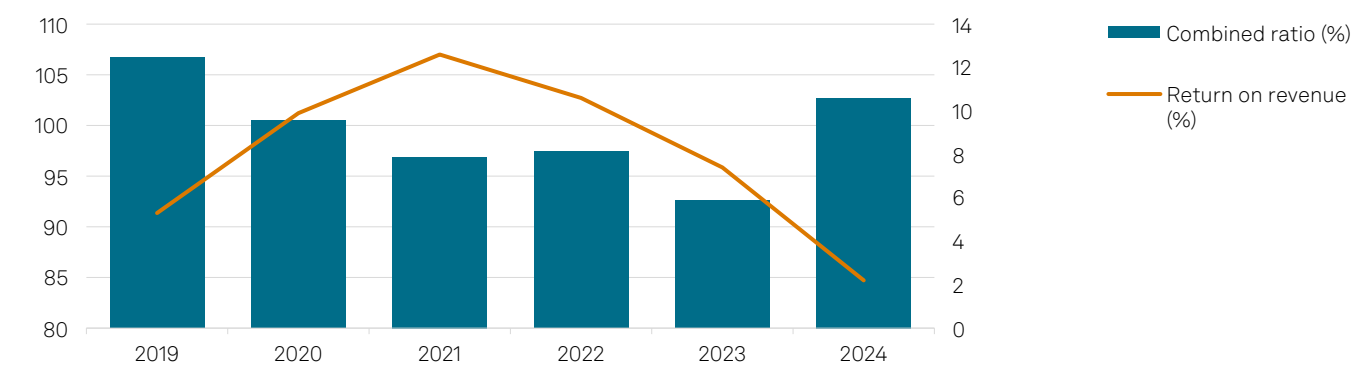
### Secondary Contact

**Trupti U Kulkarni**  
Singapore  
65-6216-1090  
trupti.kulkarni  
@spglobal.com

### Research Contributor

**Rahul Iyer**  
CRISIL Global Analytical Center,  
an S&P Global Ratings affiliate  
Mumbai

Commercial business growth in 2024 affected Sompo Singapore’s profitability



Sompo Insurance Singapore Pte. Ltd. implemented IFRS 17 with effect from Jan. 1, 2023. Data prior to 2023 is based on IFRS 4. Source: S&P Global Ratings.

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While Sompo Singapore's overall reinsurance program is streamlined with the group's, the insurer will continue to have flexibility to manage coverage limits and structures. Sompo Singapore remains active in revising its underwriting guidelines and reinsurance structure to optimize reinsurance arrangements that are commensurate with its insurance risk profile. The insurer continued to add new reinsurance arrangements in 2025 to support the parent group's commercial lines strategy across Asia-Pacific.

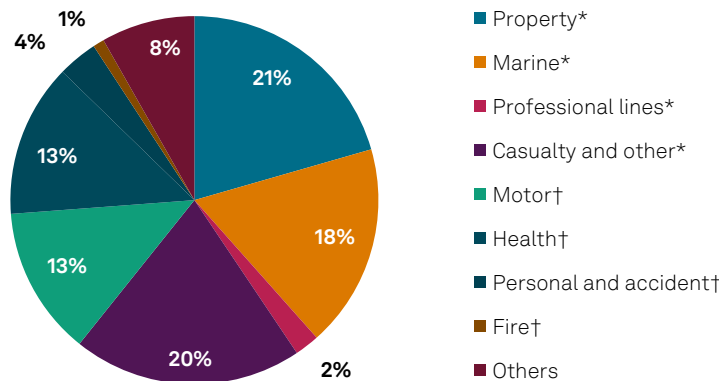
Sompo Singapore is likely to maintain a moderate presence in the competitive Singapore market. We expect the insurer to maintain profitability through its stable Japanese accounts and prudently managed local accounts as it focuses on expanding its regional commercial lines. The insurer’s size in terms of premium income remains modest in Singapore, generating 2.8% of total non-life insurance premiums as of 2024, up from 2.3% in 2023.

Sompo Singapore's Asia commercial division will lead contributions to business growth over the next few years, reflecting the insurer's focus on expanding commercial lines in the region. In the first half of 2025, the Asia commercial division's growth contributed to 36% of Sompo Singapore’s total gross premium written, up from 23% in the first half of 2024. The insurer will maintain sufficient diversity in its local business. We expect it to remain strong in underwriting and develop its commercial and specialty lines business prudently across Asia-Pacific while balancing related costs.

Sompo Singapore has risk management practices consistent with the standards of its parent's.

Sompo Singapore's commercial business is growing

Gross premium written in first-half 2025



\*Commercial lines. †Consumer lines. Source: S&P Global Ratings.

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We expect Sompo Singapore's capitalization to remain strong over the next two years. This reflects sound capital management and manageable risk exposure despite a modest capital size of Singapore dollar (S\$) 181 million as of end-2024.

We also expect Sompo Singapore to keep a healthy regulatory solvency ratio while expanding its commercial business over the next few years. The insurer had a regulatory solvency ratio of about 314% under Singapore's Risk-Based Capital 2 framework as of end-2024.

Outlook

The stable outlook on Sompo Singapore reflects the stable outlook on the core entities of Sompo group and our expectation that the insurer will remain a highly strategically important subsidiary of the group over the next two years.

Downside scenario

We could downgrade Sompo Singapore if we revise downward our 'a+' group credit profile of Sompo group. We could also lower the rating on Sompo Singapore if the insurer's importance to Sompo group substantially diminishes, which we believe is remote over the next two years.

Upside scenario

We could upgrade Sompo Singapore if we revise upward our assessment of the group credit profile of Sompo group.

We may also raise the rating if Sompo Singapore's importance to the group improves considerably such that we assess it to be core to the group. We consider such a scenario as unlikely over the next two years because we do not expect the company's contribution to the group to increase materially.

Sompo Insurance Singapore Pte. Ltd.--Key Metrics

(Mil. S\$)	--Year ended Dec. 31--				
	2024	2023	2022	2021	2020
Insurance revenue*	164.0	140.0	157.3	141.5	136.3
Net income	3.0	10.0	11.7	10.7	9.8
Return on shareholders' equity (%)	1.6	6.0	5.4	3.8	3.4
Net investment yield (%)	1.6	3.0	1.7	1.9	2.0
Net combined ratio (%)	102.7	92.6	97.4	97.0	100.5
Return on revenue (%)	2.2	7.4	10.6	12.6	10.0

Sompo Insurance Singapore Pte. Ltd. implemented IFRS 17 with effect from Jan. 1, 2023. Data prior to 2023 is based on IFRS 4. \*For 2020 to 2022, gross premium written has been presented. IFRS--International Financial Reporting Standards. S\$--Singapore dollar.

Related Criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), March 2, 2022
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Sompo Holdings Group 'A+' Ratings Affirmed On Improved Capitalization; Outlook Stable](#), September 18<sup>th</sup> 2025
- [Sompo Holdings Group's Core Subsidiaries](#), June 24, 2025
- [Sompo Insurance Singapore Pte. Ltd. Ratings Affirmed Following Revised Criteria; Outlook Remains Stable](#), April 11, 2024.

Ratings Detail (as of December 01, 2025)\*

Operating Companies Covered By This Report	
<b><u>Sompo Insurance Singapore Pte. Ltd.</u></b>	
Financial Strength Rating	
Local Currency	A/Stable/--
Issuer Credit Rating	
Local Currency	A/Stable/--
Domicile	
Singapore	

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or

Ratings Detail (as of December 01, 2025)\*

obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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