S&P Global Ratings

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Research Update:

IPB Insurance CLG 'A-' Ratings Affirmed, Financial Risk Profile Revised Up; Outlook Stable

December 2, 2025

Overview

- IPB Insurance CLG's (IPB) risk exposure has materially improved, reflecting purposeful derisking and diversification of its investment portfolio as well as lower claims volatility achieved through effective risk mitigation strategies.
- Based on the improved risk exposure, and continued sizable redundancy at the 99.99% confidence level, the financial risk profile has been raised to very strong from strong.
- We affirmed our financial strength and long-term issuer credit ratings on IPB at 'A-'.
- The outlook is stable because we expect IPB to maintain both its capital adequacy above the 99.99% confidence level for the next two years, and its market leading position in the Irish local authority liability insurance business.

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Rating Action

On Dec. 2, 2025, S&P Global Ratings affirmed its 'A-' long-term issuer credit and financial strength ratings on Ireland-domiciled IPB. The outlook remains stable.

Rationale

Over the past years, IPB has implemented comprehensive risk advisory programs for its policyholders, resulting in a substantial decline in both claim frequency and severity. The company has a strong track record of member risk management, comprehensive claims initiatives, and customer service, improving the claims experience of its members through risk mitigation and hazard elimination. These improvements are evident in IPB's consistently favorable combined ratios with a five-year average of 80.1%. The company has also derisked its investment portfolio, reducing its exposure to high-risk assets (equities, real estate, loans, binds rated 'BB+' or lower, and unrated bonds) to 29% of total adjusted capital according to our risk-based capital as of year-end 2024, from 60% as of year-end 2020.

The sustained improvement in underwriting profitability, enhanced risk modeling, and the derisking in its investment portfolio led to us revising our assessment of IPB's risk exposure to moderately low from moderately high. In turn, this has led to an overall change of our financial risk profile assessment to very strong from strong.

Capital adequacy above the 99.99% confidence level remains a key strength for IPB. The company's capitalization under our risk-based capital model and Solvency II has strengthened, and we expect the company to keep its capitalization at the current level and maintain Solvency II ratios within its targets over the next two to three years. We acknowledge IPB upholds a disciplined approach for returning dividends to its members. However, the limited absolute capital base makes IPB more sensitive to shocks than companies with larger balance sheets.

IPB maintains its market-leading position in its niche segment of third-party liability insurance for local public authorities in Ireland. In 2024, about 76% of its earned premiums were third-party liability. IPB has built a strong competitive advantage in its core market by underwriting most of its liability book on a claims-made basis. In our view, this feature has partly deterred competitors from entering IPB's niche market. Additionally, IPB benefits from strong control over its direct channel, through which it wrote more than 80% of its business as of year-end 2024. However, we see the limited product and geographic diversification and note that the company relies on a single potentially volatile line of business compared to higher rated, more diversified peers.

Outlook

The stable outlook reflects our view that IPB's capital buffer will support the rating over the next two years. We expect IPB will maintain a disciplined approach to underwriting during this period, with high client retention.

Downside scenario

While remote, we might consider a negative rating action over the next two years if IPB's capitalization materially weakened (not our expectation), such that most of its capital surplus diminishes for a prolonged period, as measured by our capital model, or the company loses its dominant position in the local public authorities segment (unlikely).

Upside scenario

Although we view it as unlikely at this stage, we could consider a positive rating action if IPB demonstrates less volatile underwriting performance at a continuously well superior earnings level compared with similarly rated more diverse peers, and it enhances its business diversification more in line with higher rated peers.

Rating Component Scores

	To	From
Business Risk Profile	**Satisfactory**	**Satisfactory**
Competitive position	Satisfactory	Satisfactory
IICRA	Intermediate risk	Intermediate risk
Financial Risk Profile	**Very Strong**	**Strong**
Capital and earnings	Very strong	Very strong
Risk exposure	Moderately low	Moderately high
Funding structure	Neutral	Neutral
Anchor	**a-**	**a-**
Modifiers		
Governance	Neutral	Neutral
Liquidity	Exceptional	Exceptional
Comparable rating analysis	0	0
Current Credit Rating		
Local currency financial strength rating	A-/Stable/--	A-/Stable/--
Foreign currency financial strength rating	--	--
Local currency issuer credit rating	A-/Stable/--	A-/Stable/--
Foreign currency issuer credit rating	--	--

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- 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: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- IPB Insurance CLG Continued Delivering Strong Results In 2024, May 5, 2025

Ratings List

Ratings List	
Ratings Affirmed	
IPB Insurance CLG	
Issuer Credit Rating	
Local Currency	A-/Stable/--
Financial Strength Rating	
Local Currency	A-/Stable/--