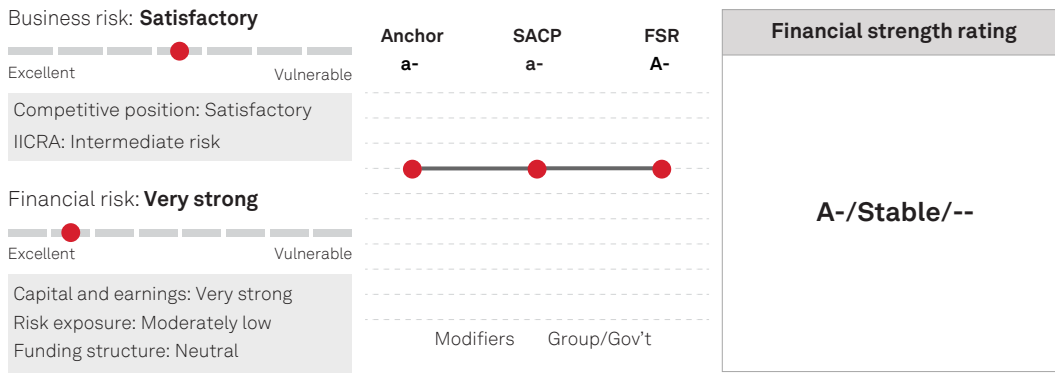


# IPB Insurance CLG

May 20, 2026

*This report does not constitute a rating action.*



FSR--Financial strength rating. ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

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## Credit Highlights

### Overview

Key strengths	Key risks
Well-capitalized profile, with capital adequacy above the 99.99% confidence level under our risk-based capital model.	Geopolitical and economic risks persist, and inflation could still lead to some volatility in earnings.
High expertise and dominant market position in liability insurance within Ireland's local public authority segment. Demonstrates high client retention and a close and direct relationship with its members.	Concentration in Ireland's local public authority segment.

**S&P Global Ratings expects IPB Insurance CLG (IPB) will remain the leader in Ireland's public liability insurance market.** In our view, IPB has built a strong relationship with its mutual members, demonstrated by high member satisfaction and a retention rate of nearly 100%. It is the only domestic mutual insurer in Ireland, which ensures a direct relationship with mutual members, focus on customer service, and resilience against competition.

**In our view, IPB will maintain its strong underwriting performance in the Irish non-life insurance market.** We expect underwriting results will remain strong in 2026-2028, partly driven by disciplined underwriting and improving claim trends in the public liability business. IPB's net combined ratio of 92.2% for 2025 is weaker than the exceptional 68.8% it recorded in 2024 amid a

significant release of reserves. That said, the ratio is well below the company's strategic target of 95%. Moreover, IPB's underwriting performance aligns with a five-year average net combined ratio of 79.8%. This reflects improved pricing, claims management, and fraud detection mechanisms in the Irish non-life insurance market. Based on our prudent assumptions, we project the combined ratio below 96% over 2026-2027.

**Excellent capital is one of IPB's key strengths and will continue to support its creditworthiness.** According to our risk-based model, IPB's capital adequacy remains strong, with a comfortable buffer above the 99.99% confidence level. Given strong underwriting and investment performance, we think this will continue until at least 2028 based on members' robust dividend policies. Any potential volatility in our base-case scenario will stem from IPB's investment portfolio: we attribute this to the somewhat higher share of equity (around 19% in 2025) and IPB's focus on the Irish public liability segment, which has proven volatile due to claims that take longer to settle.

## 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 enhances its business diversification more in line with higher-rated peers.

## Assumptions

- We expect GDP growth of around 2.0% over 2026-2028.
- We forecast consumer price index (CPI) inflation rate of 2.2% for 2026-2028.
- We expect average unemployment of about 4.5% for 2026-2028.

### IPB Insurance CLG--Key Metrics

	2027f	2026f	2025a	2024a	2023a
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	99.99%
Gross premium written (mil. €)	>220	>202.5	179.9	177.7	171.7
Net income (mil. €)	<30	<30	45.2	95.3	78.76
Return on shareholders' equity (%)	~5.0	~5.0	6.0	13.5	12.3
P/C: Net combined ratio (%)	<96	<96	91.9	68.4	89.9

## IPB Insurance CLG--Key Metrics

	2027f	2026f	2025a	2024a	2023a
P/C: Return on revenue (%)	N/A	N/A	28.5	46.8	26.8
Net investment yield (%)	>2.0	>2,0	2.8	2.9	2.4

All figures adjusted by S&P Global Ratings. f--S&P Global Ratings forecast. a--Actual.

## Business Risk Profile

IPB maintains its market-leading position in the niche segment of third-party liability insurance for local public authorities in Ireland. In 2025, about 66% 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 the company'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 2025. IPB also has strong member-retention--at nearly 100% at the latest renewal in 2025. 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.

At year-end 2025, IPB's topline, measured in gross premiums written (GPW), slightly increased by 1.3% to €179.9 million (from €177.7 million), primarily due to a combination of additional property risks covered, new business secured, and rate reductions across key lines of business. The company's business position again proved resilient, although its net combined ratio of 92.2% was higher than in the previous year due to higher claims volume, driven by property damage claims following storm Éowyn. It is still well below the company's strategic target of 95%. IPB's consistently favorable combined ratios with a five-year average of 79.8% are mainly attributable to 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.

However, unpredictability surrounding claims settlement still remains relatively high, along with legal costs for insurers. The Judicial Council's Personal Injuries Guidelines (PIG), which were introduced in 2021, could lower damage claims for minor injuries and help align compensation levels with those in other countries. That said, the effect is still hard to quantify due to a variety of legal challenges, even though a Supreme Court ruling in 2024 confirmed that the guidelines were legally binding. As a consequence, IPB released significant reserves, leading to an unusually low combined ratio of 68.8% in 2024. We will continue to monitor the development and ongoing impact on IPB's technical results.

Under our base-case scenario, we anticipate that IPB will report a net combined ratio below 96% over 2026-2028. Despite challenging macroeconomic and market conditions, IPB posted net income of €45.2 million in 2025. It has consistently demonstrated strong financial performance, with a five-year average net income of €43.3 million and a 6.2% return on equity. For 2026-2028, we forecast ROE of about 4.5%. Potential risks to our forecasts include the long-term and volatile nature of the liability exposure, still elevated inflation, and IPB's somewhat higher volatility in investment income.

## Financial Risk Profile

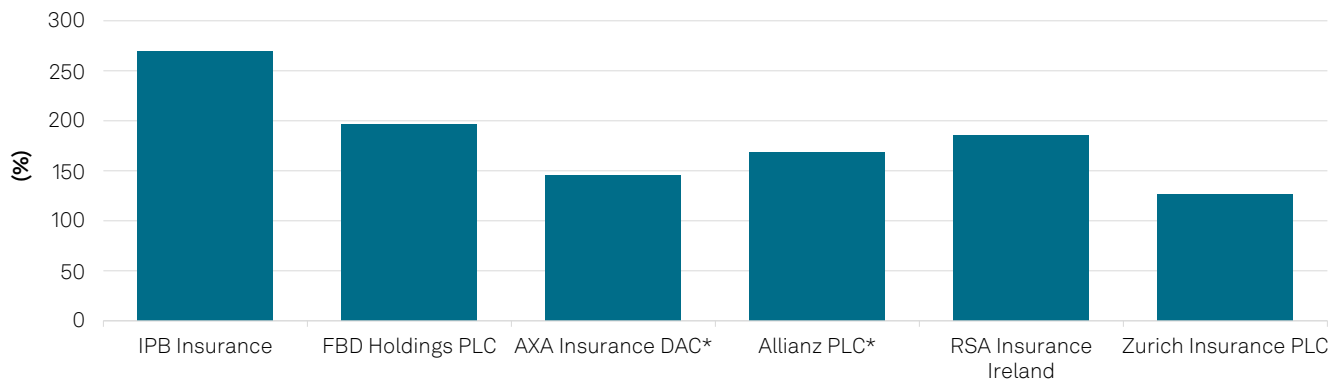
Capital adequacy above the 99.99% confidence level is a key strength for IPB. The company's capitalization under our risk-based capital model and Solvency II is stable, and we expect it to

## IPB Insurance CLG

sustain its current capitalization and maintain its target Solvency II ratios. We believe capital levels are sufficient to support IPB's profitable growth strategy and the company's Solvency II ratio of 270% at year-end 2025 also compares well with that of other Irish entities.

### IPB's high capital buffer is a key rating strength

Reported Solvency II ratio at year-end 2025



\*As of year-end 2024. Sources: IPB's Solvency and Financial Condition Report and annual report.

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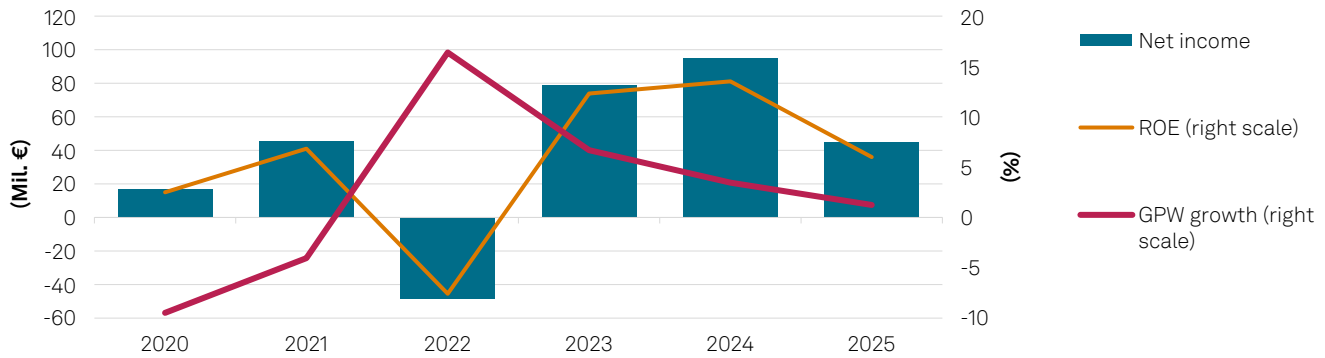
However, IPB's limited absolute capital base and its concentration in some product lines make it more prone to single-event losses and could lead to a sudden deterioration in its total adjusted capital relative to companies with larger balance sheets.

IPB has a well-diversified investment portfolio, with an average credit quality of 'A+' for bonds and no particular obligor or sector concentrations. Over time, IPB has derisked its investment portfolio, reducing its exposure to high-risk assets (equities, real estate, loans, bonds 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.

We view IPB's risk control framework as appropriate, with well-defined tolerances and regular risk review and monitoring. The company proactively assesses its solvency needs and capital targets through stress and scenario testing, with clear communication of these requirements.

Nevertheless, we identify specific risks to its activities. The 10 largest policyholders account for just under 40% of the company's net exposure, making policyholder concentration one of IPB's main risks. In addition, IPB's concentration on public-sector liability risks in the litigious Irish market results in a relatively high risk of claim inflation (though currently moderating) and longer claims settlement times. Furthermore, as a mutual insurer, IPB is predisposed to accept insurable risks from its members, subject to its risk appetite and appropriate underwriting standards.

**Net earnings and ROE fluctuate with investment income**



ROE--Return on equity. GPW--Gross premiums written. Source: S&P Global Ratings.

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Over the past few 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.

The company carries no debt on its balance sheet, and we believe its earnings to be sufficient to support capital needs for future organic growth. Should IPB need to access external funds, it is more likely to increase premiums, or use increased levels of reinsurance, than access the debt market.

## Other Credit Considerations

### Governance

The management team at IPB is highly experienced and continues to deliver robust underwriting profitability despite the structural and legal reforms in the Irish insurance market. IPB's communication is very transparent and it has a clear strategy to continually build-up capital and focus on its service-oriented model as a mutual insurance company.

### Liquidity

IPB's liquidity remains exceptional, with a highly liquid asset portfolio and strong operating cash flow generation. We do not forecast any refinancing concerns.

**Rating Component Scores**

<b>Business Risk Profile</b>	<b>Satisfactory</b>
Competitive position	Satisfactory
IICRA	Intermediate risk
<b>Financial Risk Profile</b>	<b>Very Strong</b>
Capital and earnings	Very strong
Risk exposure	Moderately low
Funding structure	Neutral
<b>Anchor</b>	<b>a-</b>
<b>Modifiers</b>	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
<b>Current Credit Rating</b>	
Local currency financial strength rating	A-/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	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 'A-' Ratings Affirmed, Financial Risk Profile Revised Up; Outlook Stable, Dec. 2, 2025](#)**

**Ratings Detail (as of May 20, 2026)\***

**Operating Company Covered By This Report**

**[IPB Insurance CLG](#)**

Financial Strength Rating

*Local Currency* A-/Stable/--

Issuer Credit Rating

*Local Currency* A-/Stable/--

**Domicile**

Ireland

\*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

## IPB Insurance CLG

### Ratings Detail (as of May 20, 2026)\*

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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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