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## FOR IMMEDIATE RELEASE

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### **AM Best Upgrades Credit Ratings of Security Mutual Insurance Company and Pittstown Cooperative Fire Insurance Company**

**OLDWICK, N.J., June 11, 2021**—AM Best has upgraded the Financial Strength Rating to A (Excellent) from A- (Excellent) and the Long-Term Issuer Credit Ratings to “a” (Excellent) from “a-” (Excellent) of Security Mutual Insurance Company (Security Mutual) and Pittstown Cooperative Fire Insurance Company (Pittstown) (collectively referred to as Security Mutual Group). The outlook of these Credit Ratings (ratings) has been revised to stable from positive. Both companies are domiciled in Ithaca, NY.

The ratings reflect the group’s balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management (ERM).

The rating upgrades reflect the group’s strong operating performance, driven by its consistently profitable underwriting results and solid investment earnings. Underwriting performance, as measured by the combined ratio on a five- and 10-year basis, outperforms the personal property composite with low to moderate volatility. The group’s sustained underwriting profitability is reflective of management’s commitment to underwriting discipline and effective agency management, despite challenging weather events and competitive market pressures.

Balance sheet strength is supported by the strongest level of risk-adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), a prudent investment portfolio with strong liquidity measures and

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consistently favorable loss reserve development. The group’s limited business profile reflects its product and geographic concentrations as a single-state writer in New York, which exposes it to weather-related events and competitive market conditions, as well as judicial and regulatory challenges. However, these risks are mitigated partially by management’s local market expertise and comprehensive reinsurance program. Recent diversification efforts include continued growth in commercial lines business, which is focused on a limited number of classes through targeted agencies. AM Best views the group’s ERM program as appropriate for its risk profile with improved capabilities observed in management’s ability to assess risk tolerance levels.

**This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper media use of Best’s Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best’s Credit Ratings and AM Best Rating Action Press Releases](#).**

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