

### Best's Credit Rating Effective Date

May 27, 2026

### Best's Country Risk Reports Utilized

[Costa Rica - CRT - 4](#)

### Analytical Contacts

Frida Garcia  
Associate Financial Analyst  
[Frida.Garcia@ambest.com](mailto:Frida.Garcia@ambest.com)  
+52 55 5436 0000

Alfonso Novelo  
Senior Director  
[Alfonso.Novelo@ambest.com](mailto:Alfonso.Novelo@ambest.com)  
+52 55 9085 7501

### Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

### Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

## Instituto Nacional de Seguros

AMB #: 086238 | AIIN #: AA-2381000

### Best's Credit Ratings

Financial Strength Rating (FSR)

<b>A</b>
<b>Excellent</b>
Outlook: <b>Stable</b>
Action: <b>Affirmed</b>

Issuer Credit Rating (ICR)

<b>a</b>
<b>Excellent</b>
Outlook: <b>Stable</b>
Action: <b>Affirmed</b>

### Assessment Descriptors

Balance Sheet Strength	<b>Strongest</b>
Operating Performance	<b>Strong</b>
Business Profile	<b>Neutral</b>
Enterprise Risk Management	<b>Appropriate</b>

## Rating Rationale

### Balance Sheet Strength: **Strongest**

- Risk-adjusted capitalization is at the strongest level at year-end 2025 as measured by Best's Capital Adequacy Ratio (BCAR), even with a 25% dividend paid to the state, and it is expected to remain at this level over the medium term.
- Surplus adequately protected by a reinsurance program with guidelines set by law.
- Prudent capital management as reflected by a conservative asset/liability management (ALM) profile and strong liquidity.

### Operating Performance: **Strong**

- Operating performance remains strong with stable trends reflecting resilient underwriting despite an increase in claims.
- Profitability is supported by stable investment income and ongoing pricing actions, helping offset some pressure on underwriting margins.
- Results are subject to compulsory contributions to the state.

### Business Profile: **Neutral**

- Leading governmental insurer in Costa Rica with a dominant market position and strong brand recognition.
- Diversified portfolio with stable premium distribution across business lines.
- Ongoing digitalization initiatives to improve efficiency and customer experience.

### Enterprise Risk Management: **Appropriate**

- Actuarial and compliance functions have been further enhanced since formation of additional control units.
- Risk appetites and tolerances are constantly monitored.
- Capital position based on regulatory model instead of proprietary model.

### Outlook

- The stable outlooks reflect AM Best's expectation that Instituto Nacional de Seguros (INS) will maintain a balance sheet assessment in the strongest range over the intermediate term, supported by risk-adjusted capitalization at the strongest level, while continuing to generate favorable operating performance. The outlooks also reflect the stability the company has in the market and the strategic role it plays in public finance.

### Rating Drivers

- Negative rating actions could result if there is a sustained deteriorating trend in INS's underwriting and operating performance either as a result of losses or implementation risk of the business strategy.
- While unlikely, positive rating actions could occur as a result of a sustained strengthening of its profitability and operational efficiency metrics.

## Key Financial Indicators

AM Best may reclassify company-reported data to reflect broader international reporting standards and increase global comparability.

### Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	74.0	70.0	69.0	68.0

Source: Best's Capital Adequacy Ratio Model - Global

<b>Key Financial Indicators</b>	<b>2025 CRC (000)</b>	<b>2024 CRC (000)</b>	<b>2023 CRC (000)</b>	<b>2022 CRC (000)</b>	<b>2021 CRC (000)</b>
Net Premiums Written:					
Composite	677,954,000	678,230,096	620,262,585	571,913,901	513,312,263
Net Income	53,007,818	29,861,451	29,400,744	37,212,629	133,700,694
Total Assets	2,676,791,076	2,633,962,237	2,495,807,452	2,343,655,831	2,352,837,973
Total Capital and Surplus	1,287,717,271	1,227,670,079	1,168,022,343	1,081,669,477	1,145,369,208

Source: BestLink® - Best's Financial Suite

<b>Key Financial Indicators &amp; Ratios</b>	<b>2025 CRC (000)</b>	<b>2024 CRC (000)</b>	<b>2023 CRC (000)</b>	<b>2022 CRC (000)</b>	<b>2021 CRC (000)</b>	<b>Weighted 5-Year Average</b>
Profitability:						
Net Income Return on Revenue (%)	6.2	3.4	3.6	4.8	16.1	6.8
Net Income Return on Capital and Surplus (%)	4.2	2.5	2.6	3.3	12.3	4.9
Net Investment Yield (%)	4.8	5.0	5.2	4.7	6.7	5.3
Leverage:						
Net Premiums Written to Capital and Surplus (%)	52.6	55.2	53.1	52.9	44.8	...

Source: BestLink® - Best's Financial Suite

## Credit Analysis

### Balance Sheet Strength

The assessment of INS's balance sheet is strongest due to its large capital base supporting the arising risks from its well managed balance sheet, which is also protected by adequate laws that limit capital outflows and set terms for reinsurance counterparts.

### Capitalisation

As of 2025, risk-adjusted capitalization assessment was strongest, without material changes with respect to 2024 levels. From the required capital side, main risk stems from the investment portfolio, as a significant portion of the instruments are concentrated in Costa Rica. The rest of the risks are relatively evenly distributed, with no volatility in current or projected years. There is no significant increase in any of them, as the company has prudent risk mitigation practices.

Investment assets are allocated responsibly. The company is focused on matching its obligations to its resources in terms of tenure and currency. Premium leverage is adequate, and the company does not have any financial leverage. Financial flexibility is limited as it is constrained by a 25% dividend to the state and 4% of EBITDA corresponds to the premiums sold (paid). On the upside, capital outflows are also constrained by this same law.

Balance sheet is considered strongest. The risk adjusted capitalization of the company relies on a large capital base supported by a profitable operation. In addition, as it is a state company, capital outflows are limited to those set by the law, as well as the quality of its reinsurers. The company also follows an adequate investment strategy focused on maintaining assets and liabilities being matched.

<b>Capital Generation Analysis</b>	<b>2025 CRC (000)</b>	<b>2024 CRC (000)</b>	<b>2023 CRC (000)</b>	<b>2022 CRC (000)</b>	<b>2021 CRC (000)</b>
Beginning Capital and Surplus	1,227,670,079	1,168,022,343	1,081,669,477	1,145,369,208	1,036,224,505
Net Income	53,007,818	29,861,451	29,400,744	37,212,629	133,700,694
Net Unrealized Capital Gains (Losses)	-39,065,921	-24,152,089	-39,884,086	...	-38,414,486
Change in Equalisation and Other Reserves	1,882,098	27,500,001	52,843,037	-107,433,142	24,918,498
Net Change in Paid-In Capital and Surplus	39,305,367	24,091,216	39,885,040	...	62,411,861
Other Changes in Capital and Surplus	4,917,831	2,347,157	4,108,131	6,520,782	-73,471,864
Net Change in Capital and Surplus	60,047,193	59,647,736	86,352,866	-63,699,731	109,144,703
Ending Capital and Surplus	1,287,717,272	1,227,670,079	1,168,022,343	1,081,669,477	1,145,369,208
Net Change in Capital and Surplus (%)	4.9	5.1	8.0	-5.6	10.5

Source: BestLink® - Best's Financial Suite

## Balance Sheet Strength (Continued...)

<b>Liquidity Analysis (%)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Liquid Assets to Total Liabilities	125.8	124.9	126.5	125.5	139.1
Total Investments to Total Liabilities	151.8	149.9	151.5	149.3	162.7

Source: BestLink® - Best's Financial Suite

## Asset Liability Management - Investments

<b>Composition of Cash and Invested Assets</b>	<b>2025 CRC (000)</b>	<b>2024 CRC (000)</b>	<b>2023 CRC (000)</b>	<b>2022 CRC (000)</b>	<b>2021 CRC (000)</b>
Total Cash and Invested Assets	2,108,752,979	2,108,428,386	2,012,072,988	1,884,340,081	1,964,041,177
Cash (%)	5.1	6.8	6.5	6.3	4.5
Bonds (%)	77.8	76.5	77.0	77.8	81.0
Real Estate, Mortgages and Loans (%)	10.3	10.6	10.6	10.4	9.7
Total Cash and Unaffiliated Invested Assets (%)	93.2	93.9	94.1	94.5	95.2
Investments in Affiliates (%)	6.8	6.1	5.9	5.5	4.8
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

## Operating Performance

During 2025, underwriting performance remains broadly aligned with the previous year; The loss ratio increased compared to the prior year, reflecting a market-wide increase in claims that affected most players in the industry, however, the company has implemented several containment measures to further strengthen its profitability. Return On Equity and Return On Assets stood at 4.2% and 2%, respectively.

INS has not relaxed its underwriting standards from the adjustments done in previous years, like the abandonment of poor performing products in auto, personal property and group life.

For the last years, the company has presented good underwriting results and operating results from adjustments in its products offerings and prices, despite variations in business volume. Looking forward, we expect the company to meet its growth targets. It is also expected for management to continue adjusting strategy to remain profitable.

In comparison to the strong operating benchmark, metrics are consistent for INS, except ROE, as the company has a very large capital base, and is subject to a 25% dividend charge by the government. Premium level presents a moderate degree of growth and investment income has also been stable and strong during the last 5 years, further enhancing bottom-line results.

There is no material observed volatility in operating results, but rather stable trends on its underwriting and profitability metrics. The metrics are still within those of the strong operating performance benchmark. Furthermore, the company has met its forecasts consistently in the past, and given its position in the Costa Rica market, the company is adequately set to meet its future targets in terms of profitability and quality of underwriting.

<b>Financial Performance Summary</b>	<b>2025 CRC (000)</b>	<b>2024 CRC (000)</b>	<b>2023 CRC (000)</b>	<b>2022 CRC (000)</b>	<b>2021 CRC (000)</b>
Pre-Tax Income	71,388,739	47,831,719	39,028,252	52,149,137	166,751,606
Net Income after Non-Controlling Interests	53,007,818	29,861,451	29,400,744	37,212,629	133,700,694

Source: BestLink® - Best's Financial Suite

<b>Operating and Performance Ratios (%)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Overall Performance:					
Return on Assets	2.0	1.2	1.2	1.6	5.9
Return on Capital and Surplus	4.2	2.5	2.6	3.3	12.3

Source: BestLink® - Best's Financial Suite

## Business Profile

INS was established in 1924 as an independent insurance company fully owned by the government of Costa Rica. In 1975, the company had all insurance and reinsurance operations in the form of a statutory monopoly until 2008 when the market was open for other participants. However, the company remains as the largest insurer in Costa Rica, underwriting life insurance lines, health insurance, automobile, property and casualty, surety bonds, and compulsory insurance, which includes workers' compensation, auto, and comprehensive crop insurance for the local market.

As of December 2025, INS presented USD 1.5 billion in GWP. INS currently holds 62% of the total Costa Rican market.

The current insurance law, which was enacted in August 2008, states that the Costa Rican government provides a guarantee for all obligations arising from INS' insurance operations at the local level.

This guarantee however, does not apply to debt issued by INS or any operations outside of Costa Rica, directly or indirectly. INS is required by law from 2014 and onward to provide the Costa Rican government a dividend-type quota of 25% of its available net income besides the 4% contribution to the firefighters decentralized entity. Capital outflows are limited by law to the taxes and benefits described above. Difficult changes to the law would be needed to obtain additional resources from INS.

In 2016, the company implemented a strategic plan to maintain its leadership in the market while putting emphasis on efficiency and sustainability of its own business. The main objective of the strategic plan is to increase profitability, reduce costs, and make products more attractive for current and new customers.

INS is actively pursuing a digital transformation strategy focused on enhancing customer experience and operational efficiency.

Business Profile is considered neutral for the rating. INS has an indisputable leadership in the Costa Rican market. While the degree of competition has increased in the last years, the company has made significant efforts to remain competitive, and has maintained pricing discipline with underwriting standards. The company is also improving its distribution channels by reaching new brokers.

## Enterprise Risk Management

ERM continues to be developed by participating in the regulator's risk-based capitalization exercises, and arrangements to its risk manuals.

There is Risk Area in charge of overseeing all risks to the organization reporting to the board and to the CEO. The company also has in place an audit area reporting to the board as well as the appropriate committees for major risk categories. The company is able to identify the largest risks it has and its impact on the capital of the company.

ERM is considered appropriate for the size and complexity of the operations and its structure is in line with good practices.

## Reinsurance Summary

INS retains most of its business, and has a warranty given by law by the Costa Rican government for any of its insurance activities. Besides that financial protection, the company is obliged to follow reinsurance guidelines as stated in the regulation.

INS uses mainly proportional contracts in its reinsurance programs for life, property & casualty; and uses non-proportional for auto products, transport, marine, and personal accident products.

## Environmental, Social & Governance

AM Best considers INS' exposure to material environmental, social and corporate governance (ESG) risks to be low.

## Financial Statements

	12/31/2025		12/31/2025
<b>Balance Sheet</b>	<b>CRC (000)</b>	<b>%</b>	<b>USD (000)</b>
Cash and Short Term Investments	106,496,109	4.0	217,521
Bonds	1,640,901,722	61.3	3,351,584
Other Invested Assets	361,355,148	13.5	738,077
<b>Total Cash and Invested Assets</b>	<b>2,108,752,979</b>	<b>78.8</b>	<b>4,307,182</b>
Reinsurers' Share of Reserves	68,355,860	2.6	139,619
Debtors / Amounts Receivable	290,076,416	10.8	592,488
Other Assets	209,605,821	7.8	428,125
<b>Total Assets</b>	<b>2,676,791,076</b>	<b>100.0</b>	<b>5,467,414</b>
Unearned Premiums	150,276,656	5.6	306,944
Non-Life - Outstanding Claims	110,344,226	4.1	225,381
Life - Outstanding Claims	432,593,249	16.2	883,583
Insurance Contract Liabilities, Net of Assets:			
Life - Long Term Business	153,903,820	5.7	314,352
Other Technical Reserves	33,466,798	1.3	68,357
<b>Total Gross Technical Reserves</b>	<b>880,584,749</b>	<b>32.9</b>	<b>1,798,617</b>
Debt / Borrowings	19,094,170	0.7	39,000
Other Liabilities	489,394,886	18.3	999,602
<b>Total Liabilities</b>	<b>1,389,073,805</b>	<b>51.9</b>	<b>2,837,219</b>
Capital Stock	975,841,477	36.5	1,993,181
Retained Earnings	53,007,818	2.0	108,270
Other Capital and Surplus	258,867,976	9.7	528,744
<b>Total Capital and Surplus</b>	<b>1,287,717,271</b>	<b>48.1</b>	<b>2,630,195</b>
<b>Total Liabilities and Surplus</b>	<b>2,676,791,076</b>	<b>100.0</b>	<b>5,467,414</b>

Source: BestLink® - Best's Financial Suite

				12/31/2025	12/31/2025
<b>Income Statement</b>	<b>Non-Life</b>	<b>Life</b>	<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>CRC (000)</b>	<b>CRC (000)</b>	<b>CRC (000)</b>	<b>CRC (000)</b>	<b>USD (000)</b>
Gross Premiums Written	...	...	...	765,392,026	1,563,333
Net Premiums Earned	...	...	...	686,958,523	1,403,130
Net Investment Income	...	...	101,296,886	101,296,886	206,901
Other Income	...	...	...	63,045,984	128,773
<b>Total Revenue</b>	...	...	101,296,886	851,301,393	1,738,805
Benefits And Claims	...	...	402,300,460	402,300,460	821,709
Net Operating And Other Expenses	...	...	377,612,194	377,612,194	771,283
<b>Total Benefits, Claims And Expenses</b>	...	...	779,912,654	779,912,654	1,592,991
<b>Pre-Tax Income</b>	...	...	71,388,739	71,388,739	145,813
Income Taxes Incurred	...	...	...	18,380,921	37,543
<b>Net Income before Non-Controlling Interests</b>	...	...	...	53,007,818	108,270

Source: BestLink® - Best's Financial Suite

## Related Methodology and Criteria

[Best's Credit Rating Methodology, 08/29/2024](#)

[Catastrophe Analysis in AM Best Ratings, 02/27/2026](#)

[Available Capital and Insurance Holding Company Analysis, 09/18/2025](#)

[Evaluating Country Risk, 06/06/2024](#)

[Scoring and Assessing Innovation, 02/20/2025](#)

[Understanding Global BCAR, 09/18/2025](#)

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <https://www.ambest.com/ratings/index.html> for additional information or <https://web.ambest.com/about/terms-of-use> for details on the Terms of Use.

**Copyright © 2026 A.M. Best Company, Inc. and/or its affiliates. All rights reserved** No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM) and generative artificial intelligence (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our *Terms of Use* available at the AM BEST website: <https://web.ambest.com/about/terms-of-use>. All information contained herein was obtained by AM BEST from sources believed by it to be accurate and reliable. Notwithstanding the foregoing, AM BEST does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and all such information is provided on an "as is" and "as available" basis, without any warranties of any kind, either express or implied. Under no circumstances shall AM BEST have any liability to any person or entity for (a) any loss or damage of any kind, in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of AM BEST or any of its directors, officers, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory, punitive or incidental damages whatsoever (including without limitation, personal injury, pain and suffering, emotional distress, loss of revenue, loss of present or prospective profits, loss of business or anticipated savings, or loss of goodwill) resulting from the use of, or inability to use, any such information, in each case, regardless of (i) whether AM BEST was advised in advance of the possibility of such damages, (ii) whether such damages were foreseeable, and (iii) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based. The credit ratings, performance assessments, financial reporting analysis, projections, and any other observation, position or conclusion constituting part of the information contained herein are, and shall be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor do they individually or collectively address the suitability of any particular financial obligation for a specific purpose or purchaser. Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. Service performance risk is the risk that an entity may not meet its contractual service performance obligations on behalf of its insurance partners. Consequently, neither credit ratings nor performance assessments address any other risk, including but not limited to, liquidity risk, market value risk or price volatility of rated securities. **NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR ASSESSMENT OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY AM BEST IN ANY FORM OR MANNER WHATSOEVER.** Each credit rating, performance assessment or other opinion must be weighed solely as one factor in any investment or purchasing decision made by or on behalf of any user of the information contained herein. Each such user will, with due care, make its own study and evaluation of each security or other financial obligation, and of each issuer and guarantor of, and each provider of credit support, and an independent view of service provider performance for, each security or other financial obligation that it may consider purchasing, holding, or selling or for each service contract that it may consider entering into. For additional detail on credit ratings or performance assessments, and their respective scales, usage, and limitations, refer to the Guide to Best's Credit Ratings (<https://www.ambest.com/ratings/index.html>) or the Guide to Best's Performance Assessments (<https://www.ambest.com/ratings/assessmentMethodology.html>).

**Reports were prepared exclusively for the use of Esteban Chavarría Olmedo. Not for redistribution unless otherwise permitted.**