



Fitch Places PartnerRe on Rating Watch Positive Following Expected Acquisition by Covea

Fitch Ratings - Chicago - 04 March 2020:

Fitch Ratings has placed PartnerRe Ltd.'s (PRE) ratings on Rating Watch Positive, including its 'A-' Issuer Default Rating (IDR) and the 'A+' (Strong) Insurer Financial Strength (IFS) rating of Partner Reinsurance Company Ltd., the company's principal reinsurance operating subsidiary.

Key Rating Drivers

Fitch's rating action follows the announcement that Covea, a French mutual insurer, entered into a memorandum of understanding to acquire PRE from EXOR N.V. for total cash consideration of \$9.0 billion plus a cash dividend of \$50 million to be paid before closing. The transaction is expected to close by the end of 2020, subject to customary closing conditions, antitrust, regulatory and other approvals. EXOR purchased PRE for \$6.9 billion in March 2016.

The Rating Watch Positive reflects the potential for ownership by Covea, a larger property/casualty (P/C), health and life insurance organization, to benefit PRE's ratings under a group credit approach. Fitch does not currently rate Covea. Fitch views EXOR's ownership as neutral to PRE's ratings.

Fitch expects PRE would continue to operate independently, as it has under EXOR ownership. The PRE acquisition provides Covea diversification outside of France, as Covea maintains a leading market position in French P/C, but has minimal global reinsurance business. PRE writes a diverse international mix of property, casualty, specialty, and life and health reinsurance products.

Resolution of the Rating Watch Positive on PRE will consider Fitch's view on the consolidated credit strength of Covea and the strategic importance of PRE to Covea. The ratings analysis will weigh implications of the transaction for PRE in several key areas including underwriting and operating strategy, business growth, capital management and risk asset allocation.

RATING SENSITIVITIES

The ratings would likely be upgraded upon closing should Fitch view Covea's consolidated credit quality to be superior to PRE's current ratings and decide to apply uplift to PRE's ratings based on its strategic importance to Covea. The ratings may be removed from Rating Watch Positive and affirmed at the current level, potentially even prior to closing, if Covea's group credit profile is deemed in line with PRE's current ratings or if Fitch decides that PRE's strategic importance to Covea is not sufficient to provide any ratings uplift. ESG CONSIDERATIONS ESG issues are

credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
PartnerRe Finance B LLC		
senior unsecured	LT BBB+ Rating Watch On	BBB+
Partner Reinsurance Company Ltd.	Ins Fin Str A+ Rating Watch On	A+
PartnerRe Ltd.	LT IDR A- Rating Watch On	A-
preferred	LT BBB Rating Watch On	BBB
junior subordinated	LT BBB Rating Watch On	BBB
PartnerRe Ireland Finance DAC		
senior unsecured	LT BBB+ Rating Watch On	BBB+

Additional information is available on www.fitchratings.com

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The following issuer(s) did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure: PartnerRe Ltd., Partner Reinsurance Company Ltd., PartnerRe Ireland Finance DAC, PartnerRe Finance B LLC

Applicable Criteria

Insurance Rating Criteria (pub. 02 Mar 2020)

Additional Disclosures

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UNSOLICITED ISSUERS

Entity/Security	ISIN/CUSIP/COUPON RATE	Rating Type	Solicitation Status
Partner Reinsurance Company Ltd.	-	Long Term Issuer Default Rating	Unsolicited
Partner Reinsurance Company Ltd.	-	LT Financial Strength Rating	Unsolicited
PartnerRe Ltd.	-	Long Term Issuer Default Rating	Unsolicited
PartnerRe Ireland Finance DAC EUR notes	XS1489391109	Long Term Rating	Unsolicited
PartnerRe Ltd. junior subordinated bond/note	US70212JAA34	Long Term Rating	Unsolicited
PartnerRe Ltd. perpetual preferred shares ser G	BMG686031367	Long Term Rating	Unsolicited
PartnerRe Ltd. perpetual preferred shares ser I	BMG686031516	Long Term Rating	Unsolicited
PartnerRe Ltd. perpetual preferred shares ser H	BMG686031441	Long Term Rating	Unsolicited
PartnerRe Ltd. preferred stock/security ser F	BMG686031284	Long Term Rating	Unsolicited
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