

Corporate Credit Rating

New Update

Sector: Insurance (Non-Life)
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R A T I N G S		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB-	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB-	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on Aug 18, 2022

Quick Sigorta Anonim Şirketi

JCR Eurasia Rating has evaluated the "Quick Sigorta Anonim Şirketi" in the investment-grade category and revised the Long-Term National Issuer Credit Rating from 'BBB+ (tr)' to 'BBB- (tr)' and assigned the Short-Term National Issuer Credit Rating as 'J2 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as 'BB-/Negative'.

Quick Sigorta Anonim Şirketi (hereinafter referred to as "Quick Sigorta" or "the Company") was established as Erdemoğlu Sigorta A.Ş. in 2015 and was renamed as Quick Sigorta A.Ş in 2016. The company carries out its activities in accordance with the principles determined by the Insurance Law No. 5684. The company was granted its operating licenses on April 6, 2017 and started its insurance activities as of May 12, 2017.

Quick Sigorta carries out insurance activities in non-life branches and holds licenses in all non-life insurance branches except the nuclear energy sub-branch of the fire and natural disasters branch, and the credit, legal protection and support branches. Quick Sigorta's market share in the non-life insurance sector is 2.62% as of 3Q2022 (FY2021: 1.81%).

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Solid recovery in premium generation in 3Q2022 despite a slight decrease in FY2021,
- Investment income supporting profitability thanks to increase in liquid assets,
- Absence of financial debt,
- Maintaining market position supporting further growth potential,

Constraints

- Negative macroeconomic developments in 2021 and 3Q2022 and increased insurance premiums pressure the sector growth and profit margins,
- Decline in technical profitability due to increased losses over the analyzed period,
- Upward trend in loss premium ratio as a result of increased losses due to high CPI level,
- High level of combined ratio pressuring on the technical part,
- Sectorial concentration still on auto branch despite strengthened revenue diversification,
- Below sector averages of capital adequacy in self-assessment stage due to increased technical provisions,
- Ill-diversified distribution channel network pressuring on profit generation capacity of the sector and the Company.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from 'BBB+ (tr)' to 'BBB- (tr)'. Taking into account the Company's market position, premium generation capacity, prudent financial structure, experienced and qualified management team, capital adequacy, regulations of authority as well as, European recession concerns, Russia-Ukraine crisis and geopolitical risks-driven uncertainties; have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. An achievement of budget targets of the Company, loss premium ratio, combined ratio, technical profit margins and regulations, as well as market conditions regarding the sector will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

