

RATING ACTION COMMENTARY

Fitch Affirms Wilton Re's IFS Ratings at 'A-'; Outlook Stable

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Fitch Ratings - New York - 30 Jun 2026: Fitch Ratings has affirmed Wilton Re Ltd.'s Long-Term Issuer Default Rating (IDR) at 'BBB' the Insurer Financial Strength (IFS) ratings of its U.S. and Bermuda operating companies (collectively, Wilton Re) at 'A-'. The Rating Outlook is Stable.

The ratings continue to reflect Wilton Re's moderate business profile, which is driven by its niche position in the market for runoff liabilities and well-defined risk appetite.

Capitalization and leverage constrain the rating, with capital targets below peers. The rating benefits from one notch of ownership uplift, reflecting the extremely strong credit quality of Wilton Re's parent.

KEY RATING DRIVERS

Capital Targets Lower than Peers: Wilton Re Ltd.'s IFS rating is constrained by its capitalization and leverage. It has an efficient capital management strategy, with capital targets below those of similarly rated peers. The company's Prism score is expected to remain 'Adequate' at YE 2025, consistent with prior years. The company's U.S. RBC ratio improved yoy to 365% at YE 2025, but Fitch expects it to decline back towards its target.

Wilton Reinsurance Bermuda Limited (WREB), Wilton Re's Bermuda subsidiary, reported a Bermuda solvency capital requirement (BSCR) ratio materially exceeding its targets at YE 2025. WREB continues to remit capital to the parent.

Financial leverage was 21% as of 1Q26, with \$455 million in borrowings on credit facilities. The company's \$400 million in subordinated notes receive 100% equity credit as a perpetual and non-cumulative instrument. Fitch expects the company to maintain run-rate financial leverage at approximately 25%. The company's total financing and commitments

ratio is elevated compared with Fitch's rated universe, driven by its financial leverage and excess reserve financing, which negatively affects Fitch's view of the quality of capital.

Ownership Uplift: Wilton Re Ltd.'s ratings are one notch higher than Fitch's view of its standalone credit quality, due to its ownership by Canada Pension Plan Investments (CPP). The uplift recognizes Wilton Re as a noncore subsidiary that is an important investment platform for CPP. Fitch does not rate CPP but believes it to be of the highest credit quality based on its scale and importance in supporting the Canada Pension Plan. CPP has demonstrated a willingness to support Wilton Re. In recent years, capital has flowed upstream given the company's excess capital position relative to its targets.

Moderate Business Profile: Fitch considers Wilton Re's position in the market acquiring runoff blocks as strong. However, the market is episodic and increasingly competitive. Favorably, the company has a diversified profile across mortality, longevity, and morbidity risks. Recent transactions have not materially changed the company's risk profile, and Fitch views the company as disciplined in its key pricing assumptions. In 2026, the company completed a small acquisition from Swiss Re. Wilton Re's risk appetite includes complex liabilities such as universal life with secondary guarantees, as the company re-underwrites key assumptions in its pricing, mitigating potential adverse policyholder experience.

Strong Earnings: Wilton Re's earnings remained strong in 2025, with a 39% ROE, consistent with the prior year. Results benefitted from favorable underwriting experience, including strong longevity and morbidity experience. Mortality experience was favorable compared with pricing assumptions in 2025, following an extended period of elevated mortality. The favorable mortality experience persisted in 1Q26. Investment income broadly aligned with Fitch's expectations, driven by favorable LP distributions partially offset by negative income on hedging swaps.

Elevated Investment Risk: Wilton Re's risky assets, as a percentage of capital, exceeds those of similarly rated peers, reflecting the company's continued strategic asset allocation program that includes further increases in its private equity exposure. The company's consolidated risky assets ratio is estimated at 139% at YE 2025, down modestly from 142% in 2024. Favorably, compared with Fitch's rated universe, the portfolio exhibits below-average complexity based upon its underweight exposure to securities rated via private letter ratings, illiquid bonds and bonds assessed at fair value using level 3 inputs

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Prism score below the high end of the 'Adequate' category (e.g. below 80% of 'Strong');
- Less parental uplift assigned from the standalone credit quality, which could be driven by a reduction in CPP Investments' ownership stake or by the removal of the change of control provisions in Wilton Re's debt agreements;
- Material transactions that alter the company's risk profile or a failure to demonstrate sustainable growth via reinsurance transactions;
- An increase in financial leverage to above 32%;
- A sustained decline in earnings, resulting in a ROE below 7%;
- Deterioration in asset performance, as evidenced by increased impairments or increased price volatility, leading to realized losses in a stressed market environment.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A Prism score maintained in the 'Strong' category, along with an RBC ratio maintained above 325%;
- A change in Fitch's view of Wilton Re's strategic importance to CPP Investments;
- An ROE sustained above 9%;
- Financial leverage maintained below 28%;
- A reduction in investment risk, including a risky asset ratio below 115%.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an

observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

<https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ⇅	RATING TYPE ⇅	RATING ⇅	RATING ACTION ⇅	PRIOR ⇅
Wilton Re Ltd.	LT IDR	BBB Rating Outlook Stable	Affirmed	BBB Rating Outlook Stable
subordinated	LT	BB	Affirmed	BB
Wilcac Life Insurance Company	LT IFS	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
Wilton Reassurance Company	LT IFS	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
Wilton Reinsurance Bermuda Limited	LT IFS	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
Wilton Reassurance Life Company of New York	LT IFS	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
Texas Life Insurance Company	LT IFS	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Insurance Rating Criteria \(pub. 29 May 2026\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Prism U.S. Life Insurance Capital Model, v1.3.5-2024 (1)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

Texas Life Insurance Company	EU Endorsed, UK Endorsed
Wilcac Life Insurance Company	EU Endorsed, UK Endorsed
Wilton Re Ltd.	EU Endorsed, UK Endorsed
Wilton Reassurance Company	EU Endorsed, UK Endorsed
Wilton Reassurance Life Company of New York	EU Endorsed, UK Endorsed
Wilton Reinsurance Bermuda Limited	EU Endorsed, UK Endorsed

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historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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