

Research Update:

BarmeniaGothaer Insurance Group's Core Operating Entities Upgraded To 'A+' From 'A'; Outlook Stable

June 12, 2026

Overview

- BarmeniaGothaer Insurance Group (BarmeniaGothaer) exhibits improved quality and consistency of earnings, which compare favorably with peers and underpin stronger capital adequacy. The group now maintains a competitive advantage through its diversified product portfolio and well-established distribution network compared to 'A+' peers.
- We think that the combined group's financial risk profile will be at least very strong, with a sufficient buffer above the 99.95% confidence level, according to our capital model.
- Therefore, we raised our issuer credit rating on BarmeniaGothaer Insurance Group's core operating entities, Gothaer Allgemeine Versicherung AG, Gothaer Lebensversicherung AG, and Gothaer Krankenversicherung AG to 'A+' from 'A'. We also upgraded group issuances that we rate by one notch.
- The stable outlook reflects our view that BarmeniaGothaer will maintain its strengthened market position and consistently solid profitability, while retaining very strong capital adequacy over our forecast horizon.

Primary Contact

Silke Sacha
Frankfurt
49-693-399-9195
silke.sacha
@spglobal.com

Secondary Contact

Johannes Bender
Frankfurt
49-693-399-9196
johannes.bender
@spglobal.com

Rating Action

On June 12, 2026, S&P Global Ratings upgraded the long-term issuer credit and financial strength ratings on BarmeniaGothaer Insurance Group's core operating entities, Gothaer Allgemeine Versicherung AG, Gothaer Lebensversicherung AG, and Gothaer Krankenversicherung AG to 'A+' from 'A'. The outlook on the core operating entities is stable. We upgraded our rating on the outstanding hybrid bond of Gothaer Allgemeine Versicherung AG to 'A-' in parallel.

Rationale

The upgrade reflects our view that BarmeniaGothaer's earnings resilience has strengthened, following improved underwriting and pricing discipline, which, in turn, strengthened the resilience of capital adequacy. Both earnings and capital adequacy benefit from ongoing efforts to improve the insurer's risk selection and derisk its insurance portfolio.

Following the completion of the merger, BarmeniaGothaer strengthened its market position. The group's competitiveness has benefited from increased scale and diversification, which is now in line with 'A+' rated peers, supported by BarmeniaGothaer's broad product offering across health, life, and property and casualty insurance. We observe a notable expansion of the group's health insurance portfolio following the merger of Gothaer with Barmenia Versicherungen, which now represents the predominant component of its business mix.

Gothaer's and Barmenia's product ranges include health, life, and property and casualty (P/C) insurance. While Gothaer focused on P/C insurance, Barmenia concentrated on health insurance, which in combination increased the combined group's diversification. Additionally, Gothaer, which has a strong market position in the German small and midsize enterprise and commercial segments, benefits from Barmenia's focus on retail customers. In our view, the combined group's well-diversified business across life, P/C, and health insurance would make it less vulnerable to adverse developments in any of these three business segments.

We think that earnings will improve, mainly due to more diverse income streams. The group reported a net combined ratio of 96.1% and posted a sound net income of €109.2 million, benefiting from improving investment returns. Under our base case, we assume the group will continue to focus on underwriting profitability, with a combined ratio of 96%-99% over 2026-2028.

We expect capitalization to continue to remain robust, underpinned by retained earnings and a prudent investment approach with further derisking. In 2025, the group's capital adequacy was sound and exceeded the 99.95% confidence level as measured by S&P Global Ratings' capital model. Our base-case scenario is that the combined group will sustain a very strong financial risk profile, supported by its substantial exposure to the German health insurance sector and low asset-liability mismatch risks, owing to its capacity to adjust premiums.

The group's leverage and fixed-charge coverage remain within our established thresholds, and we do not anticipate any material deviations. In 2025, the group issued subordinated debt to refinance a maturing hybrid instrument.

Outlook

The stable outlook reflects our view of BarmeniaGothaer's improved competitiveness in the German market after the merger and that the capital position will remain at least above the 99.95% confidence level in our capital model.

Downside scenario

We could lower the ratings if over the next two years the capital adequacy falls below the 99.95% confidence level because of lower-than-expected earnings over a prolonged basis or a shift toward a more aggressive risk appetite in respect of growth and investments.

Upside scenario

We see an upgrade as remote over the next two years. However, we could raise the ratings if BarmeniaGothaer materially enhanced its business diversity so that the earnings contribution is comparable with that of higher rated peers, while maintaining its risk profile and stable capital and earnings.

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Rating Component Scores

	To	From
Business Risk Profile	Strong	Strong
Competitive position	Strong	Strong
IICRA	Intermediate risk	Intermediate risk
Financial Risk Profile	Very strong	Very strong
Capital and earnings	Very strong	Very strong
Risk exposure	Moderately low	Moderately low
Funding structure	Neutral	Neutral
Anchor	a+	a
Modifiers		
Governance	Neutral	Neutral
Liquidity	Exceptional	Exceptional
Comparable rating analysis	0	0
Current Credit Rating		
Local currency financial strength rating	A+/Stable/--	A/Positive/--
Foreign currency financial strength rating	--	--
Local currency issuer credit rating	A+/Stable/--	A/Positive/--
Foreign currency issuer credit rating	--	--

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [BarmeniaGothaer Insurance Group](#), June 18, 2025
- [Gothaer Allgemeine Versicherung AG's Proposed Subordinated Notes Rated 'BBB+', June 10, 2025](#)
- [Gothaer Insurance Group](#), June 20, 2024
- [Research Update: Gothaer Insurance Group Outlook Revised To Positive From Stable On Planned Merger; 'A' Ratings Affirmed](#), June 12, 2024

Ratings List

BarmeniaGothaer Insurance Group's Core Operating Entities Upgraded To 'A+' From 'A'; Outlook Stable

Ratings List

Upgraded; Outlook Action

	To	From
Gothaer Allgemeine Versicherung AG		
Gothaer Krankenversicherung AG		
Gothaer Lebensversicherung AG		

Issuer Credit Rating

Local Currency	A+/Stable/--	A/Positive/--
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Financial Strength Rating

Local Currency	A+/Stable/--	A/Positive/--
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Upgraded

	To	From
Gothaer Allgemeine Versicherung AG		
Junior Subordinated	A-	BBB+

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