BEST'S PA FOR DUAE REPORT

Best's Performance Assessment Effective Date

June 30, 2025

Analytical Contacts

Michael Vallario
Financial Analyst
Michael.Vallario@ambest.com
+1(908) 439-2200 Ext. 908-882-2408

Edin Imsirovic
Director
Edin.Imsirovic@ambest.com
+1(908) 439-2200 Ext. 908-882-1903

Company Information

Dynamic Reinsurance LLC

Address

1395 Brickell Ave,
Suite 800,
Miami,
Florida
33131
United States

Information

Best's Performance Assessment for Delegated Underwriting Authority Enterprises

Guide to Best's Performance Assessments

Dynamic Reinsurance LLC

AMB #: 041034

Best's Performance Assessment (PA)

PA-2
Excellent

Outlook: Stable
Action: Assigned

Performance Assessment Components

Underwriting Capabilities	Strong
Governance and Internal Controls	Excellent
Financial Condition	Strong
Organizational Talent	Excellent
Depth and Breadth of Relationships	Strong

Corporate Overview

Founded in May 2021, Dynamic Reinsurance LLC (Dynamic Re) is an underwriting agency registered in the state of Florida, USA. The company provides comprehensive reinsurance solutions to brokers and insurance companies operating in Latin America, Europe, and the MENA region, coupled with actuarial and claims services to deliver a full set of reinsurance solutions. The company offers comprehensive solutions across multiple lines of business: property, casualty, financial lines, marine cargo, and engineering reinsurance. The company completed a transaction with an investment vehicle in Miami called Coral Ventures Group. In exchange for capitalization on the balance sheet, Coral Ventures Group obtained 90% of Dynamic Re while providing back-office functions such as legal, finance, HR, and brand advertising.

	Year End - December 31					Year End - December 31				
Key Production Figures: USD	**2024**	**2023**	**2022**	**2021**	**2020**	**2024**	**2023**	**2022**	**2021**	**2020**
Top Active Programs	**Premiums (000)**					**Annual % Changes**				
Program #1	40,572	49,628	40,538	4,643	...	-18.2	22.4	773.1	...	...
Program #2	839	...	...	...	...	...	...	...	...	...
Program #3	626	...	...	...	...	...	...	...	...	...
Program #4	60	...	...	...	...	...	...	...	...	...
Total Premiums - Active Programs	42,097	49,628	40,538	4,643	...	-15.2	22.4	773.1	...	...
Total Premiums - All Programs	42,097	49,628	40,538	4,643	...	-15.2	22.4	773.1	...	...

Assessment Rationale

I. Underwriting Capabilities:

6

Strong

Rationale:

- Dynamic Re demonstrates underwriting profitability in three out of four operational years; however, results have shown volatility due to exposure to significant catastrophic events that substantially impacted loss ratios.
- The recent introduction of additional lines of business in 2024, complementing an established property line, supports diversification. Nevertheless, premium concentration remains significant in property underwriting, indicating ongoing exposure to line-specific risks.
- The company benefits from a network of highly rated reinsurers and employs a multi-carrier model effectively. Yet, dependency on a primary reinsurer has notably influenced premium fluctuations.
- Dynamic Re utilizes advanced data analytics and third-party administrators to strengthen risk management and underwriting decisions; full integration of its technological platform enhancements remains ongoing, indicating potential room for operational refinement.

Dynamic Re provides comprehensive reinsurance solutions to brokers and insurance companies operating in Latin America, Europe, and the MENA region, coupled with actuarial and claims services to deliver a full set of reinsurance solutions.

Dynamic Re's underwriting profitability is strong with underwriting operations resulting in profitability in three of the first four years since inception driven by defined risk appetites, experienced staff and robust operations such as proprietary data, analytics, benchmarking, and modeling. Although strong, volatility due to catastrophe losses have inhibited prior year's growth and overall results. The enterprise has a competitive advantage in the market, having an established foundation of reinsurers with many capacity providers being listed in the Top 35 worldwide. The underwriting and commercial teams have an extensive network of relationships and an impeccable reputation that was built through industry experience and expertise, contributing to the ability to foster strong relationships.

Dynamic Re's use of data, analytics, and benchmarking abilities suggests the company's approach to underwriting takes an analytical view. Dynamic leverages their data analytics along with a TPA to develop CAT modeling, risk analysis, monitoring and reporting. This along with in-house quantitative assessment tools that produce robust matrices with heat maps allow the company to define risk appetites and clear severity threshold that are analytically driven.

The company benefits from a favorable commission structure as all programs earn a form of profit commission. Dynamic does have authority for claims payment and claims settlement on all but one program in its portfolio and leverages a partnership with a TPA that supports their claims handling process. The TPA is fully integrated into Dynamic's systems for direct claims processing and uses real-time data sharing for transparent claim handling along with mutual quality standards and performance metrics.

II. Governance and Internal Controls:

8

Excellent

Rationale:

- Dynamic Re ensures comprehensive alignment of interests with carrier partners through clearly structured commission agreements, meticulously detailed contracts, and stringent underwriting standards, delivering dependable outcomes for global clients.
- The company's established business continuity and disaster recovery frameworks clearly delineate organizational, strategic, and operational measures to effectively manage and mitigate risks related to potential business disruptions.
- Governance practices feature clearly articulated committee structures, ensuring robust oversight, transparent accountability, and effective internal communication pathways.
- The systematic operational integration with third-party administrators is strong, though reliance on external partners highlights the importance of continued oversight.

Dynamic Re focuses on providing high quality reinsurance capacity along with actuarial and claims management services, delivering tailored solutions, agile resources, and deep market expertise to their clients and business partners. They deliver dynamic and reliable reinsurance solutions to their clients worldwide simplifying placement and risk transfer process through creativity and technological innovation. The company stays true to their core values which include dynamic adaptability, agility & innovation, entrepreneurial mindset, a commitment to excellence, and an engaged community. Dynamic Re is committed to their mission enabling them to develop mutually beneficial relationships and maintain alignment of interest with their capacity providers. The alignment of interest is developed through commission structures, comprehensive and clear contracts, and underwriting discipline that helps deliver dependable outcomes to global clients.

Dynamic Re has well defined processes that cover many key areas such as actuarial, underwriting, collections, and claims. Dynamic Re has various clear committee structures within their governance and internal controls strategy allowing for a well-defined structure with clear reporting lines ensuring operational consistency, while reducing risk and aligning with the company's best practices.

Dynamic Re has a clear business continuity plan and disaster recovery plan in place that establishes the organizational, strategic and operational framework to ensure minimal impact if business disruption should occur. The entity receives support from various TPA's that allow dynamic to leverage valuable third-party insights, though reliance on external parties highlights the importance of a robust governance system.

III. Financial Condition:

6

Strong

Rationale:

- Dynamic Re has consistently reported profitability since inception, driven significantly by base and profit-based commissions. However, profitability metrics such as EBITDA and net income growth have experienced recent pressure due to increasing operational expenses.
- Consistent growth in retained earnings, supported by a sound financial structure devoid of significant leverage or coverage risks, contributes positively to long-term financial stability.
- Strategic investments in technology, marketing, and personnel indicate a forward-looking commitment to growth. Nevertheless, expenses associated with these initiatives have recently outpaced revenue growth, temporarily dampening short-term financial performance.

Dynamic Re has established a trend positive EBITDA and net income since inception, as the company has sustained a profitable bottom line since founding of Dynamic Re. The primary driver of their earnings are a mix of base and profit commissions supported by a clear and defined commission structure. Although bottom line results have been favorable, EBITDA and net income have experienced pressure as expenses have outpaced revenues in prior years temporarily dampening short term results. The increase in expenses has been driven by strategic investments in marketing, technology, and personnel which offer a forward-looking commitment to growth.

The entity has had consistent growth in retained earnings driven by their bottom line and supported by a mix of base a profit commissions. Dynamic Re has a sound financial structure unaccompanied by leverage or coverage concerns and sufficiently covering liabilities. Volatility of the company's return metrics are viewed as a limiting factor but should subside as the entity continues to mature and stabilize. The company has a favorable agreement with a venture capital fund allowing the company to reinvest all earnings and forgo rolling up dividends as the company continues to achieve scale allowing the entity to increase shareholder equity and focus on organic growth. Financial results will be monitored for variance and volatility that could impact future results.

As a function of its delegated underwriting responsibilities the organization handles the security and collection of premiums in a premium trust account. While claims funds are held in separate claims accounts before remittance.

IV. Organizational Talent:

4 **Excellent**	**Rationale:** • Dynamic Re's executive leadership team boasts extensive industry expertise, with senior leaders each possessing over two decades of relevant experience. • Clearly articulated organizational structures establish well-defined roles and accountability, promoting operational efficiency, effective decision-making, and strong governance. • While leadership effectively balances the growth of new lines of business and the maintenance of core operations, ongoing maturation of newer business segments demands sustained leadership attention and capability development. • Comprehensive and targeted training programs support professional development and succession planning; however, talent development practices are relatively new and require time to demonstrate measurable organizational outcomes.

Dynamic Re is led by an incredibly experienced executive team, with all executives having 20+ years of experience in the industry. The executive team employs a vision of providing high quality reinsurance capacity while delivering dynamic and reliable solutions to their clients. Leadership is focused on the growth of newly formed lines of business while continuing to grow the foundation of the company. The company is continuing to build out staff as it looks to reach scale in the coming years. The entity has experienced minimal turnover through the first few years of operation, giving testament to the leadership vision and strong organizational structure.

Dynamic Re has a clear reporting structure that establishes and defines roles and responsibilities which help promote operational efficiency, effective decision making, and strong governance. Executives are responsible for oversight of the company, while directors lead specific teams and report to the executive team.

Dynamic Re employs a structured training program which is implemented for all employees as a strategic response to organizational growth. The company implements customized training with minimum annual training requirements based on role, seniority, and development needs that include measurement and tracking of completion for all employees in the company.

V. Depth and Breadth of Relationships:

3 **Strong**	**Rationale:** • Dynamic Re maintains partnerships with reputable, investment-grade capacity providers, illustrating its ability to foster strong industry relationships. • Geographic diversification is effectively demonstrated through operations in 16 Latin American countries, underscoring regional breadth. Current concentration in Latin America implies limited geographic diversification outside the region. • Despite multiple developing business programs, premium generation remains significantly concentrated within a single dominant business line, suggesting the need for greater diversification.

Bottom line performance indicates operational efficiency and strength in their respective market. Dynamic Re has a generous spread of coverage within the Latin American region as the entity operates in 16 different Latin American countries, however, current concentration within the region implies limited geographic diversification elsewhere. Dynamic Re is supported by a mix of strong capacity providers, all with the goal of building out a long-standing relationship as the company has yet to have a terminated relationship in its four years of operation.

Dynamic Re has a profitable book of business with an appropriate number of programs, however, concentration in a single dominant line of business suggests the need for further diversification, while other programs are in the developmental stages of growth. All programs have strong reinsurance partners willing to work with the entity to further develop these programs showing an alignment of interest between carrier partner and company.

Outlook: Stable

Rationale:

- The stable outlook reflects AM Best's expectation that Dynamic Re will continue to produce positive EBITDA and bottom-line profits. As the company continues to stabilize its underwriting operations, AM Best expects Dynamic Re to maintain appropriate levels of governance and internal controls under the oversight of its experienced executive team.