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# Norway-Based Insurer Gjensidige's Proposed Subordinated Tier 2 Debt Rated 'BBB+'

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STOCKHOLM (S&P Global Ratings) Sept. 15, 2026--S&P Global Ratings today said it assigned its 'BBB+' issue rating to the proposed tier 2 Norwegian krone (NOK) subordinated notes to be issued by Norway-based insurance company Gjensidige (A/Stable/--).

We expect to classify the notes as having intermediate equity content, as per our hybrid capital criteria. We include securities of this nature--up to a maximum of 30% of adjusted common equity--as the basis of our consolidated risk-based capital analysis of insurance companies. This inclusion is subject to the notes being considered eligible as the group's regulatory own funds.

We rate the notes two notches below the long-term issuer credit rating (ICR) on Gjensidige. We deduct:

- One notch to reflect the notes' subordination to Gjensidige's senior creditors; and
- One notch to reflect payment risk from the mandatory and optional coupon deferral clauses in the documentation. Interest deferral is mandatory in the event of a breach of either the solvency capital requirement (SCR) or the minimum capital requirement under Solvency II.

Gjensidige's SCR coverage ratio remains robust, at 189% as of second-quarter 2026. We will monitor the group's SCR coverage and capital plans to assess whether the ICR on Gjensidige adequately captures the payment risk associated with its hybrid instruments. A deterioration of the group's regulatory solvency position that is not accompanied by a change in the ICR, or increased sensitivity to stress, could lead us to lower the issue rating on the notes by increasing the notching between the issue rating and the ICR to reflect the heightened payment risk.

The notes are callable on or after March 2032, subject to conditions for redemption, including approval from the regulator. The notes also have a 100-basis point step-up of the coupon after September 2037.

We understand that Gjensidige will use the proceeds from the notes for general corporate purposes, which may include, without any limitations, the refinancing of existing debt, including callable capital securities. With the issuance of the new debt, we no longer regard the debt to be refinanced as having any equity content. We estimate that the group's financial leverage will remain less than 30%. The fixed-charge coverage is likely to be more than 20.0x through 2026-2027.

## 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

- Insurance Industry And Country Risk Assessment: Norway Property/Casualty Insurance, July 9, 2026