Assured Guaranty Ltd.

July 17, 2026

This report does not constitute a rating action.

Business risk: **Very strong**

Excellent Vulnerable

Competitive position: Very strong
IICRA: Low risk

Financial risk: **Very strong**

Excellent Vulnerable

Capital and earnings: Excellent
Risk exposure: Moderately high
Funding structure: Neutral

Anchor	SACP	FSR
aa	aa	AA

Modifiers	Group/Gov't
0	--

Financial strength rating
AA/Stable/--

Holding company ICR
A/Stable/--

FSR--Financial strength rating. ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

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Credit Highlights

Overview

Key strengths	Key risks
Well-diversified global underwriting strategy dominated by business written in the U.S. public finance market.	Exposure to concentrations of large obligors within the insured portfolio could threaten creditworthiness.
Cautious approach to business expansion outside the U.S. public finance market.	Intense competition, including in the uninsured market, could pressure pricing.
Management committed to maintaining excellent capital adequacy.	

We think Assured Guaranty Ltd. (AGL) and its insurance subsidiaries (collectively, Assured) benefit from its diverse underwriting strategy. Assured writes business predominantly in the U.S. public finance (USPF) market and has a broad presence across the U.S. In addition, its underwriting strategy includes global structured finance and international local and regional government bonds as well as infrastructure projects. In our view, the experienced management team understands the risks the company faces as it executes this underwriting strategy.

While capital buffers at the 'AAA' stress level have thinned, we believed Assured is committed to maintaining capital commensurate with the rating. Assured maintains capital adequacy redundancy above our 'AAA' stress level, although the capital adequacy buffer has thinned materially. Part of the decline was intentional as management has been working to return capital to shareholders following Assured's resolution of most of its exposure related to issuers within Puerto Rico.

However, we attribute part of the decline to a rapid deterioration in the capital charge associated with Brightline Trains Florida, the debt ratings on which we lowered to 'CCC-/Negative' and then subsequently withdrew in March 2026 at the issuer's request. The downgrade resulted in a large increase in required capital per our risk-based capital adequacy model for bond insurers. Regardless, we believe management will maintain the company's excellent capital position and rebuild buffers to absorb volatility.

The combination of the very strong business and financial risk profiles leads to a split anchor of 'aa/aa-'. We select the higher anchor due to Assured's commitment to a capital buffer above 1.0x.

Outlook

The stable outlook reflects S&P Global Ratings' expectation that the group will maintain excellent capital adequacy and a strong presence in the USPF market. It also considers Assured's measured approach to insuring international local and regional government issues and transactions in the global structured finance market, which we don't think presents outsize risk to capital. We expect the company to maintain a capital adequacy ratio above 1.0x, which is key to rating stability.

Downside scenario

We could lower our ratings in the next 24 months if:

- The non-USPF business meaningfully alters the risk profile of the company's insured portfolio,
- Assured exhibits poor operating performance for a prolonged period, or
- Its capital adequacy falls below 1.0x, and we think that the company won't be able to improve its capital position.

Upside scenario

We don't expect to raise our ratings in the next two years. Based on our view of the insurable new issue USPF market and the company's business volume, we don't think Assured's competitive position or earnings will dramatically change.

Assumptions

- Real U.S. GDP growth of 2.1% in 2026, and 1.9% in 2027
- 10-year Treasury yield of about 4.4% in 2026 and 3.9% in 2027
- Consumer Price Index at about 3.9% in 2026 and 2.5% in 2027
- Unemployment rate at 4.4% in 2026 and 4.6% in 2027

Source: "Economic Outlook U.S. Q3 2026: Resilient To Layered Supply Shocks," June 24, 2026

Assured Guaranty Ltd.--Key metrics

	2025	2024	2023	2022	2021
S&P Global Ratings capital adequacy	Excellent	Excellent	Excellent	Excellent	Excellent
Adjusted gross premium written (mil. $)	286	402	404	375	361
Claims paying resources (mil. $)	9,965	10,041	10,557	10,743	11,219
Operating return on shareholders' equity (%)	7.7	6.6	11.2	4.6	7.8
Statutory return on revenue (%)	97.2	119.4	46.6	25.7	100.1
Net combined ratio (%)	91.2	59.1	128.3	89.7	10.2
Financial leverage (%)	27.6	28.2	27.4	29.4	25.2
Fixed charge coverage (x)	6.1	5.5	6.2	4.2	7.4

f--S&P Global Ratings forecast.

Business Risk Profile

We continue to view Assured's competitive position as very strong, underpinned by a highly diversified underwriting strategy. While the company's core business remains centered on USPF insured debt issues, its portfolio extends to global structured finance, international local and regional government bonds, and infrastructure projects. Additionally, Assured expanded into annuity reinsurance with its acquisition of Warwick Re Ltd. (which was subsequently renamed "Assured Life Re") in the first quarter of 2026. Assured Life Re will reinsure fixed-term annuities and pension risk transfer annuities, building on Assured's long-standing experience in life reinsurance and its asset management capabilities. For certain assumed risks, Assured Life Re expects that its obligations to ceding insurers will be supported by a guaranty from Assured Guaranty Re Overseas Ltd. (AA/Stable/--), an affiliate of Assured.

Notably, Assured's global structured finance segment has seen rising demand for private bilateral transactions with international banks and insurers seeking regulatory capital relief. This diversified approach offers the company flexibility to pivot toward favorable markets as conditions shift. From an insured risk perspective, management's expansion into non-USPF markets appears both strategic and disciplined.

Chart 1

Gross par written in 2025
$32.9 billion

Source: S&P Global Ratings.

We view Assured's operating performance as strong due to the runoff of its more volatile legacy structured finance portfolio and the long-term earnings power of its USPF business. The volatility in its combined ratio over the past five years has been greatly influenced by the number of recoveries in its residential mortgage-backed securities transactions, representation and warranty putbacks, and the resolution of Assured's Puerto Rico exposure.

Assured's par exposure continues to be heavily weighted (81% as of March 31, 2026) toward issuers domiciled in the U.S. International exposures are predominantly based in the U.K. and other advanced economies in Europe and Australia.

Our Insurance Industry Country Risk Assessment (IICRA) for U.S. bond insurance is low. For a country or sector representing more than 10% of par exposure where we do not have an IICRA--U.K. bond insurance in this instance--we use the IICRA of the country-sector combination with country and industry characteristics we consider most like those of the country or sector where the insurer operates. We consider the U.S. bond insurance IICRA as an appropriate IICRA proxy for Assured's exposure to the U.K. market. Separate from the relevant IICRAs, under our methodology, we assess capital charges on each exposure based on the credit risk of the underlying issue.

Chart 2

Net par exposure as of year-end 2025

$278.6 million

Source: S&P Global Ratings.

Financial Risk Profile

We assess the company's capital and earnings as excellent, with a capital adequacy ratio above 1.0x. Assured's remaining exposure to issuers in Puerto Rico not covered by prior settlements, except for the Puerto Rico Electric Power Authority (PREPA), have been making regular debt service payments. Historically, Assured maintained a substantial capital adequacy buffer, in part due to uncertainty surrounding Puerto Rico claims. The size of the buffer has declined in recent years as management has worked to return capital to shareholders following the resolution of many of the Puerto Rico exposures.

This intentional decrease in buffer, paired with the capital charge associated with Brightline, has thinned Assured's capital buffer significantly. However, we believe management is committed to rebuilding a sizable buffer to absorb unexpected modeled losses that may arise in its insured portfolio. With regard to the Brightline exposure, sizable debt service payments are not due until after 2040, and we believe management will implement a solution before then.

We expect the capital return to shareholders will be balanced with the capital needs of the company's underwriting growth strategy in the global markets. We think management will maintain the company's excellent capital position as it employs this global underwriting strategy.

Assured's moderately high risk exposure reflects the application of our largest obligor test, which highlights potential concentration risks of the insured portfolio and weighs on our view of Assured's financial risk. This test doesn't necessarily assume these exposures will default, but rather that potential rating changes of the underlying insured issues could lead to volatility in capital adequacy.

The investment portfolio is low risk and almost entirely consists of fixed-income investments with an average credit quality of 'AA', partly offsetting the concentration risk of the insured portfolio.

Other Credit Considerations

Governance

The experienced management team has a strong understanding of the risks the company faces as it executes its corporate strategy. We consider its risk management culture as positive, reflecting Assured's risk reporting and significant oversight from senior management. Management has a structured process for risk identification and monitoring, detailed risk limits and policies, and a system of enforcement through well-defined authorities to control underwriting risk, surveillance, and loss mitigation. Further, Assured has demonstrated strong capabilities to fix troubled insured exposures and recover claims paid.

Liquidity

We assess Assured's liquidity as exceptional because of its conservative investment strategy that we think adequately supports its liquidity needs. The company is sufficiently covered for loss and loss adjustment expenses payable in the next 12 months, and we don't foresee any longer-term material liquidity risks. Given Assured's investment strategy, we think the company maintains sufficient liquidity to cover unexpected stress in the insured portfolio.

Factors specific to the holding company

Assured Guaranty US Holdings Inc. (Assured Holdings) and its subsidiary, Assured Guaranty Municipal Holdings Inc. (AGMH), are the obligors for all debt and hybrid securities for the consolidated group. The debt service needs of Assured Holdings and AGMH, and our 'A' issuer credit rating on AGL, depend on the operating companies' ability to pay dividends.

Group support

We rate **Assured Guaranty (Europe) SA** (AGE; AA/Stable/--) above the sovereign (France; A+/Stable/A-1) based on AGE's core group assessment and the key role the company plays in Assured's global underwriting strategy. AGE has close operational and financial ties to the group's affiliates--including risk management policies--to which the entire group adheres, underwriting support, and strong financial support in the form of quota-share reinsurance, excess-of-loss reinsurance, and a net-worth-maintenance agreement. Additionally, AGE's invested assets are based in Brussels.

We rate **Assured Guaranty Re Ltd.** (AG Re; AA/Stable/--) above the sovereign (Bermuda; A+/Positive/A-1) based on AG Re's core group assessment and the key role the company plays in supporting Assured's financial strength. All of AG Re's new business comes from its affiliated companies, and it has a legacy assumed book of third-party cessions. There is a unified organizational approach to risk management, and its investments are in the U.S., except for a small portion (approximately £6 million) of trust assets pledged for intercompany reinsurance balances with AGE.

Rating Component Scores

Business Risk Profile	**Very Strong**
Competitive position	Very strong
IICRA	Low risk
Financial Risk Profile	**Very Strong**
Capital and earnings	Excellent
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	**aa**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	--
Foreign currency financial strength rating	--
Local currency issuer credit rating	A/Stable/--
Foreign currency issuer credit rating	A/Stable/--

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Insurance | Bond: Methodology And Assumptions For Analyzing Bond Insurance Capital Adequacy, July 26, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Assured Guaranty Ltd., June 30, 2025
- Assured Guaranty Ltd.'s Acquisition Of Warwick Re Ltd. Doesn't Change Our Financial Strength Assessment, Jan. 22, 2026

Ratings Detail (as of July 17, 2026)*	
Assured Guaranty Ltd.	
Issuer Credit Rating	A/Stable/--
Related Entities	
Assured Guaranty (Europe) S.A.	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Financial Enhancement Rating	
Local Currency	AA/Stable/--
Assured Guaranty Inc.	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Financial Enhancement Rating	
Local Currency	AA/Stable/--
Assured Guaranty Municipal Holdings Inc.	
Issuer Credit Rating	
Local Currency	A/Stable/--
Junior Subordinated	BBB+
Senior Unsecured	A
Assured Guaranty Re Ltd.	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Financial Enhancement Rating	
Local Currency	AA/Stable/--
Assured Guaranty Re Overseas Ltd.	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Financial Enhancement Rating	
Local Currency	AA/Stable/--
Assured Guaranty UK Ltd.	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Financial Enhancement Rating	
Local Currency	AA/Stable/--

Ratings Detail (as of July 17, 2026)*	
Assured Guaranty US Holdings Inc.	
Issuer Credit Rating	A/Stable/--
Sutton Capital Trust I	
Preferred Stock	A+
Sutton Capital Trust II	
Preference Stock	A+
Sutton Capital Trust III	
Preferred Stock	A+
Sutton Capital Trust IV	
Preferred Stock	A+
Woodbourne Capital Trust I	
Preferred Stock	A+
Woodbourne Capital Trust II	
Preferred Stock	A+
Woodbourne Capital Trust III	
Preferred Stock	A+
Woodbourne Capital Trust IV	
Preferred Stock	A+
Domicile	Bermuda

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.