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Brightbridge Wealth Management Headlines: Swiss Re reclaims prized S&P credit rating by [Brightbridge Wealth](#)

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(Reuters) â€“ Swiss Re (SRENH.VX) has regained a prized credit rating lost during the financial crisis, a key step toward the reinsurerâ€™s goal of expanding its business.

Standard & Poorâ€™s on Friday raised its rating on Swiss Re to AA- with a stable outlook from A+, citing the companyâ€™s strong capital base.

â€œThe impact should be positive, allowing Swiss Re to deploy more of its capital into reinsurance underwriting and also apply a somewhat more flexible investment strategy,â€• analysts at Vontobel said.

Swiss Re lost its double A rating in 2009 after risky investments put its capital base in jeopardy, forcing it to take an emergency 3 billion Swiss franc (\$3.48 billion) loan from U.S. billionaire Warren Buffett.

The Zurich-based reinsurer repaid the Buffett loan late last year, and some analysts have been speculating the firm could be ripe for a ratings upgrade.

Swiss Re said earlier this year its goal was to reclaim the prized rating, expand its business, and then possibly return cash to shareholders.

A share buyback or other form of capital return could come in 2013, said Ben Cohen, an analyst at Collins Stewart in London.

â€œItâ€™s still a prospect on an 18-month view, not least because to hit their return on equity targets they do need to improve the capital-efficiency of the business, and a buyback would be a good way to do that,â€• Cohen said.

Swiss Re successfully reduced the riskiness of its investment portfolio, repaid the convertible bond held by Buffettâ€™s Berkshire Hathaway (BRKa.N), stabilized net income and maintained capital in excess of the top-tier â€˜AAAâ€™ level, S&P said.

â€œThe stable outlook reflects our expectation that Swiss Re will maintain its very strong competitive position,â€• the ratings agency also said. â€œWe expect net income in 2011 to be strong and stable.â€•

A spokesman for Swiss Re declined to comment.

Swiss Reâ€™s shares were trading down 0.7 percent at 1500 GMT, outperforming a 1.8 percent fall in the sector index .SXIP.

The fall in the shares was due to profit-taking after a rise during the previous session, several traders said.

Swiss Re presents third-quarter results on November 3. The reinsurerâ€™s rating had been cut from AA- by S&P in February 2009.

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