



NEWS RELEASE

A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON

FOR IMMEDIATE RELEASE

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A.M. Best Upgrades Issuer Credit Rating of Amlin AG, Affirms Ratings of Lloyd's Syndicate 2001 and Amlin plc

LONDON, 28 March 2014—A.M. Best has upgraded the issuer credit rating (ICR) to “a+” from “a” and affirmed the financial strength rating (FSR) of A (Excellent) of **Amlin AG** (Switzerland). At the same time, A.M. Best has affirmed the FSR of A+ (Superior) and ICR of “aa-” of **Lloyd's Syndicate 2001**, which is managed by Amlin Underwriting Limited (United Kingdom), and the ICR of “a-” of **Amlin plc** (Amlin) (United Kingdom), the non-operating holding company of the Amlin group of companies. The debt ratings of “bbb+” on Amlin's GBP 230 million 6.5% subordinated debt, its USD 50 million 7.28% subordinated debt and its USD 50 million 7.11% subordinated debt have also been affirmed. The outlook for all ratings is stable.

The upgrade of Amlin AG's ICR reflects its strategic importance to the Amlin group and the high level of financial flexibility and general support provided by Amlin. The financial strength of syndicate 2001 also benefits from the support of Amlin, which owns 100% of the syndicate's capacity. Amlin maintains strong consolidated risk-adjusted capitalisation, supported by a generally superior operating performance and despite the decline driven by the group's substantial operating loss in 2011. Since then the group has taken positive steps to enhance its management of catastrophe risk, through improved catastrophe modelling, the purchase of additional reinsurance protection and the issue in December 2011 of a USD 150 million catastrophe bond. A further USD 75 million catastrophe bond was issued in July 2013. Whilst the decrease in the level of consolidated risk-adjusted capitalisation was a cause for concern, through these measures and in more normal trading conditions the Amlin

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group achieved excellent operating performance in both 2012 and 2013, which led to a progressive restoration of risk-adjusted capitalisation towards the level prior to the 2011 losses.

The stand-alone risk-adjusted capitalisation of Amlin AG, although reduced by the establishment of its Amlin Re Europe division in October 2010, remains at an excellent level. It is bolstered by good operating performance in 2012 and 2013 and is expected to be maintained throughout 2014.

As one of the largest syndicates in Lloyd’s, syndicate 2001 has an excellent market profile and writes the majority of its business from a lead position. The syndicate continues to be the main underwriting platform for the Amlin group and provided nearly 60% of consolidated gross premiums in 2013. Amlin AG also has an excellent business profile. The company’s Bermuda division, established in 2005, writes predominantly a property reinsurance account comprising catastrophe, risk excess and proportional business, while the Amlin Re Europe division underwrites property catastrophe, property risk, marine, liability and motor business on a proportional and non-proportional basis. Both the syndicate and Amlin AG continue to benefit from a strong risk management framework, which A.M. Best believes is fully embedded.

Positive rating actions for the Amlin group are unlikely in the near future. Factors that may lead to negative rating actions include unexpected weak operating performance, a reduction in risk-adjusted capitalisation or deterioration in the group’s reserves.

The methodology used in determining these ratings is Best’s Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best’s rating process and contains the different rating criteria employed in the rating process. Best’s Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

In accordance with Regulation (EC) No. 1060/2009, the following is a link to required disclosures:
[A.M. Best Europe - Rating Services Limited Supplementary Disclosure.](#)

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