

Press Release - DECEMBER 17, 2010

A.M. Best Affirms Ratings of Amlin AG



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FOR IMMEDIATE RELEASE

LONDON, DECEMBER 17, 2010

A.M. Best Europe – Rating Services Limited has affirmed the financial strength rating of A (Excellent) and issuer credit rating of "a" of **Amlin AG** (Switzerland) (formerly Amlin Bermuda Limited [ABL]). The outlook for both ratings is stable.

In October 2010, **Amlin plc** (Amlin), the holding company of the Amlin group, completed the establishment of a reinsurance platform in Zurich, Switzerland, to underwrite reinsurance business from European markets starting in 2011. A key part of this process was to re-domicile ABL (now Amlin AG) to Switzerland from Bermuda. Amlin's Bermuda operation is now a branch of Amlin AG, which will accordingly operate through two divisions, Amlin Bermuda and Amlin Re Europe.

Amlin AG's risk-adjusted capitalisation remains excellent despite significant dividend payments to its parent in 2009 and 2010. An increase in premium income is anticipated as Amlin Re Europe becomes established, but the company is expected to maintain an excellent level of risk-adjusted capitalisation.

Amlin Bermuda achieved an exceptional result in 2009, with low catastrophe losses and favourable prior-year reserve developments giving a profit of USD 391 million. The combined ratio was 57%, compared with 80% in 2008. Amlin Bermuda's performance is enhanced by low management expenses and the quality of its account, a significant proportion of which comprises participation on business underwritten by Lloyd's Syndicate 2001 (managed by Amlin Underwriting Limited). Syndicate 2001 has a history of strong profitability within Lloyd's. It is anticipated that Amlin Re Europe will have little impact on performance in 2011 but over time will improve business diversification and earnings stability.

Amlin AG has an excellent business profile as part of the Amlin group. Amlin Bermuda writes predominantly a property reinsurance account comprising catastrophe, risk excess and proportional business. Approximately two-thirds of this business in 2009 was derived from the United States, with the remainder of the account having a good geographical spread. In addition to its internal group business, Amlin Bermuda writes a directly sourced account, which was 16% of group revenue in 2009. Effective 2011, Amlin Re Europe is expected to write a European property/casualty treaty book of business focused on small to mid-size businesses, contributing 10% of Amlin AG's gross written premiums in 2011 and 20% in 2012.

The principal methodology used in determining these ratings is [Best's Credit Rating Methodology - Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilised include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; "Understanding Universal BCAR"; "Rating Members of Insurance Groups"; and "Rating New Company Formations". Methodologies 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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