



Fitch Affirms Amlin Corporate Insurance at 'A'; Outlook Positive Ratings

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Fitch Ratings-London-31 October 2011: Fitch Ratings has affirmed Amlin Corporate Insurance N.V.'s (ACI) Insurer Financial Strength (IFS) rating at 'A'. The Outlook remains Positive.

The affirmation reflects ACI's strategic importance within the Amlin group, which Fitch views as core under its rating criteria, based on material size (30% of 2010 gross written premiums -GWP) and increasing operational synergies. This relationship is reinforced by the continued integration process between the two organisations, ACI's solid financial profile and merging strategic orientation with that of the wider group. ACI's standalone rating is uplifted by one notch through Amlin group's stronger financial profile.

These strengths are marginally offset by the further deterioration in ACI's reported results. Fitch notes that the full benefits of the significant re-underwriting process, which has been undertaken since ACI was acquired, have yet to fully feed through to earnings. The agency maintains the expectation that results will improve in the next 18 to 24 months.

In H111, ACI's reported combined ratio deteriorated to 119% (H110: 100%), largely due to some large claims on the marine book that rose above the level that would have been expected historically. GWP decreased to GBP301.7m (H110: GBP425.1m), reflecting the non-renewal of predominantly marine class business.

The Positive Outlook indicates that Fitch would consider upgrading ACI if the integration process in the Amlin group were successfully finalised and if the company were able to restore profitability and sustain a combined ratio below 100%.

The most likely reason for a downgrade would be a weakening of the Amlin group's financial profile due to the significant erosion of capital strength.

ACI is a leading commercial lines writer in the Benelux region, with strong business positions in marine, property and liability insurance. Amlin group provides insurance coverage to commercial enterprises and reinsurance protections through operations at Lloyd's of London (IFS Rating 'A+/'Stable), Bermuda, France, Switzerland and Singapore. At end-H111, Amlin group GWP totalled GBP1.51bn (H110: GBP1.49bn) while the combined ratio deteriorated to 121% (H110: 88%), reflecting the unprecedented level of insured catastrophe losses during the period.

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Applicable criteria, 'Insurance Rating Methodology' dated 22 September 2011, are available on www.fitchratings.com.

Applicable Criteria and Related Research:

Insurance Rating Methodology

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