



Fitch Upgrades Amlin Corporate Insurance's IFS to 'A'; Outlook Positive Ratings

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Fitch Ratings-Paris/London-03 November 2010: Fitch Ratings has upgraded Amlin Corporate Insurance N.V.'s (ACI) Insurer Financial Strength (IFS) rating to 'A' from 'A-'. The Outlook is Positive.

The upgrade reflects ACI's growing strategic importance to Amlin group which has been reinforced by the well advanced integration process between the two organisations, its good financial profile and consistent strategic orientation. These strengths are partly offset by the deterioration in the company's profitability since 2008 although it remained positive.

At end-2009, ACI reported a net profit of EUR28m, up 18% on 2008, due to improved investment results. However, this remained substantially lower than in 2007 (EUR65m) due to the deterioration in ACI's technical results over the period. The net combined ratio published by the company increased to 102% in 2009 from 94% in 2007 as a result of poor underwriting performance in the marine business line. Fitch views ACI's capital adequacy as adequate, given its risk profile. At end-2009 ACI had a statutory capital adequacy ratio of 3.1x the minimum requirement (2.7x in 2008).

Amlin group, which provides insurance coverage to commercial enterprises and reinsurance protections through operations at Lloyd's of London, in Bermuda, France, Switzerland and Singapore, acquired 100% of ACI in July 2009 from the Dutch government.

Fitch notes that the acquisition of ACI by the Amlin group has already allowed the two organisations to implement business and organisational co-operations with synergies expected in the medium term. However, the agency believes that challenges remain in the integration process of ACI, which includes a complete operational separation from the Ageas group mainly in areas such as IT and Finance. Fitch would consider upgrading the rating of ACI if the integration process in the Amlin group is successfully finalised and if the company demonstrates its ability to restore its profitability at pre-crisis level.

ACI is a leading commercial lines writer in the Benelux region, with strong business positions in marine, property and liability insurance. The company ranks among the top three in each of these business lines in the Netherlands and Belgium. ACI reported total gross written premiums of EUR708m in 2009. As a whole, its business profile is complementary to Amlin's franchise with minor geographic or business overlaps.

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Additional information is available at www.fitchratings.com.

Applicable criteria, "Insurance Rating Methodology", dated 13 August 2010, "Non-Life Insurance Rating Methodology", dated 24 March 2010, and "Fitch's Approach to Rating Insurance Groups", dated 24 March 2010, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Non-Life Insurance Rating Methodology
Insurance Rating Methodology
Fitch's Approach to Rating Insurance Groups

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