

Press Release - JULY 14, 2009

A.M. Best Affirms Ratings of Lloyd's Syndicate 958

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FOR IMMEDIATE RELEASE

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A.M. Best Co. has affirmed the Best's Syndicate Rating of A (Excellent) and issuer credit rating (ICR) of "a+" of **Lloyd's Syndicate 958** (United Kingdom), which is managed by Omega Underwriting Agents Limited (OUAL). At the same time, A.M Best has affirmed the ICR of "bbb" of **Omega Insurance Holdings Limited** (Omega) (Bermuda), the parent company of Omega Dedicated Limited (ODL) and **Omega Specialty Insurance Company Limited** (OSIL). The outlook for all ratings remains stable.

The ratings of Lloyd's Syndicate 958 reflect the financial strength of the Lloyd's market, which underpins the security of all Lloyd's syndicates. In addition, A.M Best believes that syndicate 958 benefits from financial flexibility provided by Omega, which is expected to maintain strong consolidated risk-adjusted capitalisation in 2009. ODL provides 16.4% of the capacity of syndicate 958 for its 2009 year of account. This percentage is expected to increase to approximately 35% for its 2010 year of account following an offer to purchase capacity from third party members of the syndicate. In addition OSIL underwrites a 20% quota share of the syndicate for its 2009 year of account.

Assuming normal catastrophe activity, A.M. Best believes syndicate 958's combined ratio in 2009 will remain excellent at between 85% and 90% on an annually accounted basis — vs. 89% in 2008 — supported by an improvement in market conditions for U.S. catastrophe exposed business in the wake of hurricanes Gustav and Ike. Further ahead, good performance is likely to be underpinned by the syndicate's focus on management of capacity through the underwriting cycle, its comprehensive reinsurance programme and the Omega group's strong risk monitoring and control infrastructure. A.M. Best expects the syndicate's return on capacity for the 2007 year of account to be in excess of 12.5%. For 2008 the return is expected to be between 0% and 10%, reflecting the impact of hurricanes Gustav and Ike and lower investment returns.

Syndicate 958 has a good business profile within the London market as a specialist underwriter of short-tail, small to medium sized property risks, predominantly located in the U.S. (approximately 48% of gross written premium in 2008 derived from U.S. business). In addition, A.M. Best believes that the syndicate benefits from its presence in the European market through Omega Europe GmbH, a wholly owned subsidiary of Omega that operates solely as a coverholder to the syndicate.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit [Best's Ratings & Analysis](#).

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at [Best's Credit Rating Methodology](#).

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers.

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