

Press Release - NOVEMBER 19, 2010

A.M. Best Upgrades Ratings of Zurich Insurance Company Limited's U.S. Subsidiaries

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FOR IMMEDIATE RELEASE

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A.M. Best Co. has upgraded the financial strength rating (FSR) to A+ (Superior) from A (Excellent) and issuer credit ratings (ICR) to "aa-" from "a+" of the U.S. subsidiaries of **Zurich Insurance Company Limited (ZIC)** (Zurich, Switzerland), including the lead company of the U.S. group, **Zurich American Insurance Company** (Zurich US) (Schaumburg, IL) and its rated property/casualty pooling affiliates. The outlook for all ratings is stable. (See below for a detailed list of the companies and ratings.)

The ratings reflect the improved underwriting and operating performance of Zurich US in recent years, particularly on an accident year basis, as well as the strong level of risk-adjusted capitalization and enterprise risk management practices that have strengthened the organization as a whole. Additional positive factors include the enhanced profile of the group as one of the top five writers of property/casualty insurance in the United States, giving it market leadership in many of its key product lines and territories. The implicit support of ZIC and the strategic importance of the parent's U.S. operations to the worldwide operations of the group are key drivers of the rating upgrades. Notwithstanding relatively poor earnings prior to 2007 (driven by adverse loss reserve development and underpriced business written in prior years), reserve development for Zurich US has improved in recent years across most lines, with accident year results now more comparable with the commercial casualty industry composite. The rating outlook recognizes A.M. Best's view that current earnings will be sustainable in the medium term.

The FSR has been upgraded to A+ (Superior) from A (Excellent) and the ICRs to "aa-" from "a+" with a stable outlook for **Zurich American Insurance Company** and its following property/casualty pooling affiliates:

- **Fidelity and Deposit Company of Maryland**
- **Empire Fire and Marine Insurance Company**
- **Empire Indemnity Insurance Company**
- **Universal Underwriters Insurance Company**
- **Assurance Company of America**
- **Maryland Casualty Company**
- **Northern Insurance Company of New York**
- **American Guarantee and Liability Insurance Company**
- **American Zurich Insurance Company**
- **Universal Underwriters of Texas Insurance Company**
- **Steadfast Insurance Company**
- **Zurich American Insurance Company of Illinois**
- **Colonial American Casualty & Surety Company**

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 utilized include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for

Property/Casualty Insurers"; and "Rating Members of Insurance Groups." Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source..

[View a list of companies](#) related to this press release. The list will include Best's Ratings along with links to additional company specific information including related news and reports.

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