



# NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON  
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

**FOR IMMEDIATE RELEASE**

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**A.M. Best Affirms the Ratings of Fairfax Financial Holdings Limited and Its Subsidiaries**

## **Ratings Supplement**

The FSR of A (Excellent) and ICRs of “a” have been affirmed with a stable outlook for the following subsidiaries of **Fairfax Financial Holdings Limited**:

- **Commonwealth Insurance Company**
- **Commonwealth Insurance Company of America**
- **CRC Reinsurance Limited** (formerly CRC [Bermuda] Reinsurance Limited)
- **Federated Insurance Company of Canada**
- **Lombard General Insurance Company of Canada**
- **Markel Insurance Company of Canada**
- **Zenith Insurance Company (Canada)**

The FSR of A (Excellent) and ICRs of “a” have been affirmed with a stable outlook for **Crum & Forster Insurance Group** and its following members:

- **Crum & Forster Indemnity Company**
- **Crum and Forster Insurance Company**
- **The North River Insurance Company**
- **United States Fire Insurance Company**
- **Crum & Forster Specialty Insurance Company**

The FSR of A (Excellent) and ICRs of “a” have been affirmed with a stable outlook for **Odyssey**

**Reinsurance Group** and its following members:

- **Odyssey America Reinsurance Corporation**
- **Hudson Insurance Company**
- **Hudson Specialty Insurance Company**

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- **Newline Insurance Company Limited**

The FSR of A (Excellent) and ICRs of “a+” have been affirmed with a stable outlook for **Seneca**

**Insurance Group** and its following members:

- **Seneca Insurance Company, Inc.**
- **Seneca Specialty Insurance Company**

The FSR of A- (Excellent) and ICRs of “a-” have been affirmed with a stable outlook for the following subsidiaries of **Fairfax Financial Holdings Limited**:

- **Lombard Insurance Company**
- **Wentworth Insurance Company Limited**

The FSR of B++ (Good) and ICRs of “bbb” have been affirmed with a stable outlook for **Fairmont**

**Specialty Group** and its following members:

- **Fairmont Specialty Insurance Company**
- **Fairmont Premier Insurance Company**
- **Fairmont Insurance Company**

The FSR has been downgraded to B++ (Good) from A- (Excellent) and the ICR to “bbb+” from “a-” for **Clearwater Insurance Company**. The outlook for the ICR is negative, while the outlook for the FSR has been revised to stable from negative, following the company’s sale in January 2011 to a Fairfax affiliate.

The FSR has been downgraded to B++ (Good) from A- (Excellent) and the ICR to “bbb” from “a-” for **General Fidelity Insurance Company**. Both ratings have been removed from under review with negative implications and assigned a stable outlook.

The FSR of B+ (Good) and ICRs of “bbb-” have been affirmed with a stable outlook for **TIG Insurance Group** and **TIG Insurance Company**.

The ICR of “bbb” has been affirmed with a stable outlook for **Fairfax Financial Holdings Limited**.

The ICR of “bbb” has been affirmed with a stable outlook for **Crum & Forster Holdings Corp.**

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The following debt ratings have been affirmed with a stable outlook:

**Crum & Forster Holdings Corp.—**

-- “bbb” on USD 330 million 7.75% unsecured senior notes, due 2017

**Odyssey Reinsurance Holdings Corp. —**

-- “bbb” on \$225 million 7.65% senior unsecured notes, due 2013

-- “bbb” on \$125 million 6.875% senior unsecured notes, due 2015

**TIG Capital Trust I—**

-- “b” on USD 125 million 8.597% preferred capital securities, due 2027

**Fairfax Financial Holdings Limited—**

-- “bbb” on USD 466.4 million 7.75% senior unsecured notes, due 2012

-- “bbb” on USD 100 million 8.25% senior unsecured notes, due 2015

-- “bbb” on USD 282.6 million 7.75% senior unsecured notes, due 2017

-- “bbb” on USD 225 million 7.375% senior unsecured notes, due 2018

-- “bbb” on CAD 400 million 7.50% senior unsecured notes, due 2019

-- “bbb” on CAD 275 million 7.25% senior unsecured debentures, due 2020

-- “bbb” on USD 125 million 8.3% senior unsecured notes, due 2026

-- “bbb” on USD 125 million 7.75% senior unsecured notes, due 2037

-- “bb+” on CAD 250 million Series C cumulative, five-year rate reset preferred shares

-- “bb+” on CAD 200 million Series E cumulative, five-year rate reset preferred shares

-- “bb+” on CAD 250 million Series G cumulative, five-year rate reset preferred shares

-- “bb+” on CAD 300 million Series I cumulative, five-year rate reset preferred shares

The following indicative debt ratings have been assigned to the universal shelf registration with a stable outlook:

**Fairfax Financial Holdings Limited—**

-- “bbb” on senior unsecured debt

-- “bbb-” on subordinated debt

-- “bb+” on preferred shares

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”; “Understanding BCAR for Canadian Property/Casualty Insurers”; “Understanding Universal BCAR”;

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“Equity Credit for Hybrid Securities”; “The Treatment of Terrorism Risk in the Rating Evaluation”; “Natural Catastrophe Stress Test Methodology”; “Assessing Country Risk”; “Catastrophe Risk Management Incorporated Within the Rating Analysis”; “Catastrophe Analysis in A.M. Best Ratings”; “Rating Members of Insurance Groups”; and “A.M. Best’s Ratings & the Treatment of Debt.” Methodologies can be found at [www.ambest.com/ratings/methodology](http://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. For more information, visit [www.ambest.com](http://www.ambest.com).**

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