



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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CONTACTS: Darian Ryan, CPA
Senior Financial Analyst
(908) 439-2200, ext. 5449
darian.ryan@ambest.com

Rachelle Morrow
Senior Manager, Public Relations
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

Michael J. Lagomarsino, CFA
Assistant Vice President
(908) 439-2200, ext. 5810
michael.lagomarsino@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Affirms Ratings of Fairfax Financial Holdings Limited and Most of Its Operating Companies

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**:

- **Northbridge Indemnity Insurance Corporation** (formerly Commonwealth Insurance Company)
- **Federated Insurance Company of Canada**
- **Northbridge General Insurance Corporation** (formerly Lombard General Insurance Company of Canada)
- **Northbridge Commercial Insurance Corporation** (formerly 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**
- **Valiant Insurance Company**
- **Valiant Specialty Insurance Company**
- **First Mercury Insurance Company**
- **American Underwriters Ins Company**

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

Insurance Group and its following members:

- **Zenith Insurance Company**

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- **ZNAT Insurance Company**

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**:

- **Northbridge Personal Insurance Corporation** (formerly Lombard Insurance Company)
- **Wentworth Insurance Company Limited**

The FSRs have been downgraded to A- (Excellent) from A (Excellent) and the ICRs to “a-” from “a” for **Commonwealth Insurance Company of America** and **CRC Reinsurance Company**. The outlook for these ratings is stable.

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 of B++ (Good) and ICR of “bbb” have been affirmed with a stable outlook for **General Fidelity Insurance Company**.

The FSR has been downgraded to B+ (Good) from B++ (Good) and the ICR to “bbb-” from “bbb+” for **Clearwater Insurance Company**. The outlook for the ICR has been revised to stable from negative, while the outlook for the FSR is stable.

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

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The ICRs of “bbb” have been affirmed with a stable outlook for **Fairfax Financial Holdings Limited, Crum & Forster Holdings Corp. and Zenith National Insurance Corp.**

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

TIG Capital Trust I—

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

Zenith National Insurance Corp.—

-- “bbb-” on USD 38.4 million 8.55% deferrable debentures, due 2028

Fairfax Financial Holdings Limited—

- “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
- “bbb” on CAD 400 million 6.4% senior unsecured notes, due 2021
- “bbb” on USD 500 million 5.8% senior unsecured notes, due 2021
- “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
- “bb+” on CAD 237.5 million Series K cumulative, five-year rate reset preferred shares

The following indicative debt ratings have been affirmed 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 methodology used in determining these ratings is Best’s Credit Rating Methodology¹, which provides a comprehensive explanation of A.M. Best’s rating process and contains the different rating criteria employed in

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the rating process. Key criteria utilized include: “Risk Management and the Rating Process for Insurance Companies”; “Understanding Universal BCAR”; “Understanding BCAR for Property/Casualty Insurers”; “Rating Members of Insurance Groups”; “Equity Credit for Hybrid Securities”; and “Insurance Holding Company and Debt Ratings.” Best’s Credit Rating Methodology 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. For more information, visit www.ambest.com.

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