



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 Upgrades Issuer Credit Ratings of HCC Insurance Holdings, Inc. and Certain Subsidiaries
Ratings Supplement

The ICRs have been upgraded to “aa” from “aa-” and the FSR of A+ (Superior) has been affirmed for **Houston Casualty Group** and its following members. The outlook for the ICRs has been revised to stable from positive, while the outlook for the FSR remains stable.

- **Houston Casualty Company**
- **Avemco Insurance Company**
- **U.S. Specialty Insurance Company**
- **HCC Specialty Insurance Company**

The FSR of A+ (Superior) and ICRs of “aa-” have been affirmed with a stable outlook for the following subsidiaries of **HCC Insurance Holdings, Inc.**:

- **HCC Life Insurance Company**
- **Perico Life Insurance Company**
- **American Contractors Indemnity Company**
- **United States Surety Company**

The FSR of A- (Excellent) and ICR of “a-” have been affirmed with a revised outlook to positive from stable for **Pioneer General Insurance Company**.

The ICR has been upgraded to “a” from “a-” with a revised outlook to stable from positive for **HCC Insurance Holdings, Inc.**

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The following debt rating has been upgraded with a revised outlook to stable from positive:

HCC Insurance Holdings, Inc.—

-- to “a” from “a-” on \$300 million of 6.3% senior notes, due 2019

The following indicative debt ratings available under the shelf registration have been upgraded with a revised outlook to stable from positive:

HCC Insurance Holdings, Inc.—

-- to “a” from “a-” on senior unsecured

-- to “a-” from “bbb+” on subordinated

HCC Capital Trust I and II—

-- to “a-” from “bbb+” on preferred securities

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 Universal BCAR”; “Understanding BCAR for Property/Casualty Insurers”; “Understanding BCAR for Life and Health Insurers”; “Rating Members of Insurance Groups”; “Catastrophe Risk Management Incorporated Within the Rating Analysis”; “Natural Catastrophe Stress Test Methodology”; “Assessing Country Risk”; and “A.M. Best’s Ratings & the Treatment of Debt.” 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. For more information, visit www.ambest.com.

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