

**Bermuda  
Credit Analysis**

**Hiscox Ltd**  
And Insurance Subsidiaries

**Ratings**

<b>Hiscox Insurance Company Limited</b> Insurer Financial Strength	A
<b>Hiscox Insurance Company (Bermuda) Limited</b> Insurer Financial Strength	A
<b>Hiscox Insurance Company (Guernsey) Limited</b> Insurer Financial Strength	A
<b>Hiscox Plc</b> Long-Term IDR	BBB+
<b>Hiscox Ltd</b> Long-Term IDR	BBB+
<b>Sovereign Risk</b> Foreign-Currency Long-Term IDR	AA+
Local-Currency Long-Term IDR	AAA

**Outlooks**

Insurer Financial Strength	Stable
Long-Term IDRs	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

**Financial Data**

<b>Hiscox Ltd (Consolidated)</b>	30 Jun 09	31 Dec 08
Gross written premiums (GBPm)	906	1,148
Profit before tax (GBPm)	141.4	105.2
Group combined ratio (%)	88.3	76.1
Return on equity (%)	27.5	9.2
Net asset value (GBPm)	965	951

Source: Group accounts

**Analysts**

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**Related Research**

- *2009 - 2010 Global Reinsurance Review and Outlook (September 2009)*
- *Insurance Industry Rating Outlooks: Global Update (September 2009)*
- *Insurance Ratings Criteria: Application in a Stressful Environment (February 2009)*

**Rating Rationale**

- The ratings on Hiscox Ltd and its insurance subsidiaries reflect the high level of capitalisation within the Hiscox Group (Hiscox) and the continued generation of profitable earnings in 2008. Hiscox Ltd is the ultimate Bermuda-based holding company of Hiscox.
- Operating results proved resilient, in the context of loss estimates for hurricanes and volatility in the global financial markets. Hiscox's earnings were supported by significant foreign exchange (FX) gains, which are expected to reverse in 2009, and a notable release of previous years' reserves.
- Hiscox's ratings are underpinned by a global diversified and well-balanced franchise, adequate reserving, a prudent investment policy and the expectation that underwriting discipline will continue.
- Offsetting factors include uncertainty regarding the primary premium rate environment, the execution risk associated with the group's US operations, some additional exposure to corporate bonds with relatively low ratings, as well as the contribution from reserve releases from previous years, which is expected to decline in the future.

**Key Rating Drivers**

- Hiscox has achieved a good track record of operating profitability since 2001 and Fitch Ratings expects the group to continue to underwrite profitable business and to maintain a disciplined approach to underwriting in 2009 and 2010.
- Primary premium rates remain under pressure and there is uncertainty regarding catastrophe related losses in 2009.
- Fitch expects capital adequacy to decline slightly in 2009 due to new business strain, given the increased capacity provided to Lloyd's syndicates for international big-ticket business and pressure on underwriting performance. Capital is nonetheless expected to remain supportive of the current ratings.
- Fitch continues to believe that Hiscox's investment portfolio is conservative, although there is some exposure to potentially illiquid structured credit (but few sub-prime-related instruments).
- The agency, however, anticipates some additional exposure to riskier assets (corporate bonds with relatively low ratings) in the future.

**Recent Events**

A full 2010 business forecast for Syndicate 33 has been submitted to Lloyd's. The initial plan envisages a syndicate capacity of GBP1,000m for 2010, which is a GBP250m increase on 2009. This is however largely due to FX movements.

## Key Rating Issues

### Overview

Hiscox maintained a high level of capitalisation and continued to generate profitable earnings in 2008. Operating profitability proved resilient, in the context of loss estimates for hurricanes and volatility in the global financial markets. Hiscox's earnings were supported by significant FX gains, which are expected to reverse in 2009, and a notable release of previous years' reserves.

Hiscox's ratings are underpinned by a global diversified and well-balanced franchise, adequate reserving, a prudent investment policy and expectations that underwriting discipline will continue. However, uncertainty remains regarding the primary premium rate environment, Hiscox USA is still in its infancy, and the contribution from reserve releases from previous years is expected to decline in the future. Fitch also anticipates some additional exposure to riskier assets.

### Capital

Fitch expects capital adequacy to decline slightly in 2009 due to new business pressure, given the increased capacity provided to Lloyd's syndicates for international big-ticket business and pressure on underwriting performance. Capital is nonetheless expected to continue to support the rating level. The agency has factored into its analysis the expectation that the disciplined approach to underwriting will continue, resulting in the generation of profitable earnings through the underwriting cycle.

### Investment Policy

The group's investment policy appears prudent and consistent, with low exposure to US sub-prime assets, although there is some exposure to potentially illiquid structured credit. Fitch anticipates some additional exposure to riskier assets (corporate bonds with relatively low ratings) in the future. Hiscox is also exposed to currency risk, as potential adverse movements of FX rates could negatively affect net profitability.

### US Operations

Hiscox faces some challenges in the US due to the small scale of its operations. Hiscox USA reported strong growth in 2008 and is near to break-even. However, it currently lacks scale and has limited premium diversification. Fitch expects Hiscox USA to become a key contributor to the Hiscox group's financial results over time.

## Peer Analysis

The closest peers to Hiscox are Brit Insurance Limited (IFS 'A'/Outlook Stable) and, despite its smaller scale, Novae Insurance Company Limited (IFS 'A-'/Outlook Stable). For comparison purposes, the table below also includes credit metrics for RSA (Royal & Sun Alliance Insurance Plc is rated IFS 'A-'/Outlook Positive) and the non-life operations of Aviva in UK (Aviva Insurance UK Limited is rated IFS 'AA-'/Outlook Negative), although these groups are among the largest general insurance players in the UK, with a global presence and larger customer bases than Hiscox. The Lloyd's market, in which Hiscox participates as managing agent and capital provider, is also included in the analysis.

### Peer Comparison

2008	IFS <sup>a</sup>	Outlook	Gross written premiums - GWP (GBPm)	Combined ratio - COR (%)	Profit before tax - PBT (GBPm)	PBT/GWP (%)
Hiscox Ltd	A	Stable	1,147	76.1	105	9.2
Brit Insurance Holding	A	Stable	1,395	99.4	89	6.4
RSA	A-	Positive	7,273	94.5	759	10.4
Lloyd's	A+	Stable	17,985	91.3	1,899	10.6
Novae	A-	Stable	349	101.1	40	11.5
Aviva non-life <sup>b</sup>	AA-	Negative	11,934	98.0	1,118	9.4

<sup>a</sup> IFS ratings of main operating companies of each group

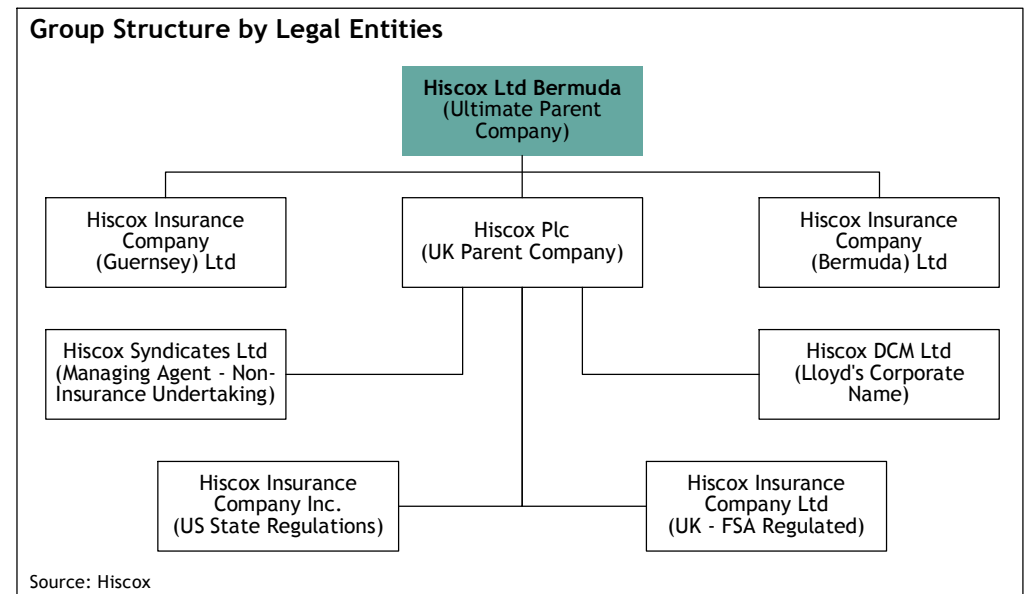
<sup>b</sup> Worldwide. UK only: GWP GBP5,496m, COR 99%, PBT GBP642m

Source: Companies' accounts, Fitch

The comparison shows that Hiscox benefited from the strongest underwriting performance amongst peers in 2008, with a combined ratio (COR) well below 80%, partly resulting from FX gains and reserve releases. FX gains and reserve releases were a common feature across the Lloyd's market. Returns on premiums were in line with peers, despite a negative investment income result (-1.3% or -GBP27.6m).

### Company Profile

The Hiscox Group is a specialist non-life insurance and reinsurance underwriting group focusing on a particular range of personal and commercial risks. Hiscox Syndicates Limited is the managing agent of Syndicate 33. Hiscox Insurance Company Limited operates in the UK and Europe outside the Lloyd's market, covering a wide range of specialist insurance for professionals and business customers. The group's other insurance vehicles include Hiscox Insurance Company (Bermuda) Limited and Hiscox Insurance Company (Guernsey) Limited. Hiscox Ltd is the ultimate Bermuda-based holding company of Hiscox Group.



There are three main operational divisions of the group: Hiscox global markets, Hiscox UK and Europe, and Hiscox International.

- Hiscox global markets underwrites mainly internationally traded business in the London Market – generally large or complex business which needs to be co-insured with other insurers or requires the international licences of Lloyd's.
- Hiscox UK and Hiscox Europe offer a range of specialist insurance for professionals and business customers, as well as for high-net-worth individuals.
- Hiscox International includes offshore operations in Bermuda and Guernsey and Hiscox USA.

At present, Hiscox owns 72.6% of the capacity offered by Syndicate 33, the fourth-largest syndicate in the Lloyd's market, with 27.4% being owned by third-party Lloyd's names. The ownership has been unchanged since 2006.

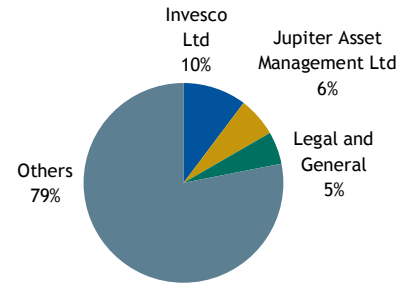
### Ownership Structure

Hiscox Ltd, the Bermudian holding company for the group, is listed on the LSE. Major shareholders are Jupiter Asset Management Ltd and Invesco Ltd.

**Key Events**

Hiscox has seen good rate increases in key areas, especially reinsurance, in the course of 2009. Catastrophe exposed reinsurance is the largest line of business for Hiscox and rates for US hurricane exposed areas are firm, having seen increases of 10%-50% over 2008, according to Hiscox's estimates. Energy business is also experiencing rate rises in excess of 50% for Gulf of Mexico windstorm exposed business. In other product lines, rates are broadly stable.

**Shareholders' Composition**



Source: Hiscox's website

Although there are signs of reinsurance rates hardening, Fitch believes that current capital market conditions and volatility trends raise concerns about whether reinsurers retain the post-catastrophe event access to capital markets that they have historically enjoyed. This risk, in Fitch's opinion, is heightened given current financial market conditions.

Nevertheless, non-life reinsurers have generally weathered the severe financial storm of the last 12-18 months better than their primary market peers. Fitch believes that the sector will generate a calendar year underwriting profit for full-year 2009, assuming "normal" catastrophe-related losses.

**Products**

The group's products include commercial insurance for professionals and personal insurances for high-net-worth individuals. Hiscox operates in a number of traditional areas in the Lloyd's insurance market, such as marine, energy, and property and in new areas such as terrorism and political risk, and in particular industry sectors such as aerospace and technology, media & telecommunications (TMT). Hiscox also operates as a fine art insurer, and offers solutions for household, bloodstock and kidnap & ransom cover. The range of professional indemnity and commercial insurance protects professionals and SMEs.

**Target Markets**

Hiscox has a presence in Lloyd's, Bermuda, and in the UK. Hiscox also aims to expand its operations in Spain, and, in particular, in the US. Hiscox USA reported strong growth in 2008 and is near to break-even.

**Distribution Channels**

Hiscox primarily distributes its products through brokers. However, the group continues to expand its own direct distribution, particularly in the UK.

**Financial Analysis**

Hiscox reported robust results in 2008, in the context of loss estimates for hurricanes and volatility in the global financial markets. However, results were helped by significant FX gains and a notable release of previous years' reserves.

H109 results showed strong growth, as overall premium income rose by 42% to GBP906m (H108: GBP639m), mainly driven by the result of Hiscox Bermuda, Hiscox UK and Hiscox Europe. However, at constant exchange rates, yoy growth was much lower at 16.3%. Net premiums earned (NPE) totalled GBP565m (2008: GBP489m), after allowing for the unwinding of the unearned premiums reserve (UPR).

### Profitability

Gross written premiums reduced by 4.3% in 2008 as the global markets and Bermuda businesses' rates contracted. This was offset by growth in all other business units. The group achieved pre-tax profit of GBP105.2m in 2008 (2007: GBP237.2m).

The recovery of the USD during the second half of 2008 generated material exchange gains. Overall, the net gain to shareholders was GBP109m.

The combined ratio was a highly satisfactory 76.1% (2007: 84.4%). However, the result was boosted by positive FX movements. Had these gains been excluded, the COR would have been 91.9% (2007: 85.5%). The result also benefited from a large reserve release (GBP123m or 13% of NPE, against GBP60m or 6% in 2007). Most of the release has arisen in its Lloyd's business and around half of this relates to the settlement of two historical claims.

H109 saw the reversal of the FX gains accounted in 2008. Nevertheless, pre-tax profit for H109 reached GBP141.4m (H108: GBP109.2m). The main contributors to this result were a satisfactory COR at 88.3% (79.5% excluding FX impact) and a strong annualised return on investments of 7.0% (H108: 1.6%).

### Group Operating Performance

	2004	2005	2006	2007	2008	H109	H108
GWP (GBPm)	817	861	1,126	1,199	1,147	906	639
Operating result <sup>a</sup> (GBPm)	91	73	210	245	110	144	113
As % of GWP	11.1	8.5	18.7	20.4	9.6	15.9	17.7
Net profit (GBPm)	64	49	164	191	71	122	84
As % of GWP	7.8	5.7	14.6	15.9	6.2	13.5	13.1
Combined ratio (%)	92.6	96.0	89.1	84.4	76.1	88.3	79.7
Return on equity (%)	20.6	12.8	28.9	28.8	9.2	27.5	21.8

Note: Figures based on % participation on Syndicate 33

<sup>a</sup> Before financing costs

Source: Hiscox

### Investments and Liquidity

The group's investment policy appears conservative. Its invested assets grew to GBP2.52bn at end-2008 (end-2007: GBP2.05bn) with steady cash flow and the effect of a strong USD. The market value of group investments was GBP2.33bn at end-H109.

By the end of 2008, 18.5% of the total portfolio was represented by cash. Debt and fixed-income assets were predominantly invested in high quality corporate, government and asset-backed bonds. The investments typically have relatively short durations and terms to maturity.

Government and government-supported assets accounted for 52% of debt securities, 94.6% of which are rated 'A' or higher. Hiscox expects to hold the securities to maturity. Exposure to equities was generally low and similarly there was little exposure to sub-prime-related instruments.

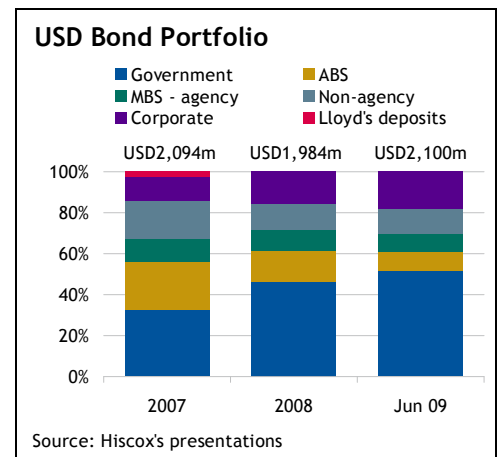
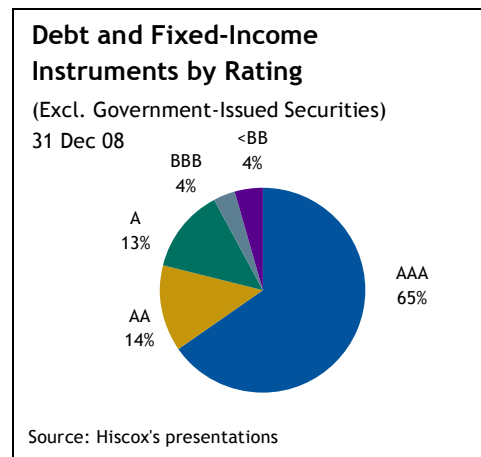
### Asset Allocation

(%)	31 Dec 07	31 Dec 08	31 Dec 09
<b>Bonds</b>			
GBP	10.1	11.6	17.0
USD	50.6	54.7	53.0
Other	9.7	10.2	6.3
<b>Total bonds</b>	<b>70.4</b>	<b>76.5</b>	<b>76.3</b>
Equities	7.8	5.0	5.1
Cash	21.8	18.5	18.6

Source: Hiscox

During 2008, Hiscox reduced its exposure to equities which further mitigated the overall impact of the weak markets. Besides cash and Treasuries, which will be maintained at an appropriate level to provide liquidity, Hiscox sees good opportunities in investment-grade corporate bonds and expects to increase the allocation there in the course of 2009.

The investment return, excluding derivative positions, declined to negative GBP27.6m in 2008 (2007: GBP100.8m). The investment portfolio suffered from the extreme weakness in the equity markets and the widening of spreads on non-government bonds. However, for H109, the return on the investment portfolio was a strong 7.0% (2008: 1.6%), largely driven by the performance of the US bond portfolio, where exposure to ABS has been reduced and non-agency assets recovered sharply from end-2008 levels.



The liquidity profile of Hiscox is satisfactory, although some illiquidity affects the USD mortgage-backed securities portfolio, undermining a market valuation. It should be noted, however, that the underlying securities continue to pay down interest and principal according to their terms. Indeed, cash flow from the bond portfolios is being generated at the rate of approximately GBP100m a quarter which, together with undrawn bank facilities, provides Hiscox with a satisfactory liquidity buffer.

### Reinsurance Protection and Credit Quality

Hiscox aims to protect its regional business (particularly Syndicate 33 retail activities and Hiscox Insurance Company Limited) and to mitigate volatility in the event of large losses, particularly those caused by windstorms. Conversely, Hiscox remains exposed to some volatility in the catastrophe and reinsurance book (Syndicate 33 London Market and Hiscox Bermuda). In 2008, the hurricane Ike/Gustav loss (net USD175m) mainly hit the Lloyd's part of the business.

Reinsurance spending has increased steadily since 2006, although the composition of reinsurance cover has changed to proportional from non-proportional. Hiscox remains exposed to softening rates in some non-catastrophe exposed business lines. Its reinsurance programme in respect of its European risks is comprehensive, although the group retains some volatility in its catastrophe and reinsurance books.

The credit quality of reinsurers is satisfactory, with the top three being Tokio Marine (rated: IFS 'AA-'/Outlook Negative), Munich Re (IFS 'AA-'/Outlook Stable) and Hannover Re (IFS 'A+'/Outlook Negative). Reinsurance receivables at end-2008 amounted to GBP426.3m, or 11.4% of total assets (2007: GBP222.7m and 7.7%). They were rated 'AAA' (1.4%), 'AA' (57.1%), 'A' (36.1%) and other (5.4%). The 2009 reinsurance programme included 'AAA'-rated reinsurance securities (7% – including collateralised reinsurance treaties), 'AA' (63%) and 'A' (30%).

### Reserve Adequacy and Development

Fitch considers Hiscox's reserve levels to be adequate, despite ongoing reserve releases from previous years of account. Hiscox released GBP123m in 2008 (2007: GBP60m). Fitch expects the pace of previous year reserve releases to slow gradually.

Reserving levels are also subject to frequent internal review. Reserve adequacy for the managed syndicate is audited annually by external independent actuaries.

### Capitalisation

Fitch considers that Hiscox is relatively well-capitalised for a company with an IFS rating of 'A'. Group capitalisation proved resilient in 2008, given the low exposure to equities compared with shareholders' funds and the (weighted average) short duration of bonds at 1.5 years. The quality of capital is also very high, given the small amount of goodwill. The net asset value increased to GBP951.0m at end-2008 (2007: £824.3m), largely due to FX benefit and boosted by reserve releases. A net asset value of GBP965m was achieved at end-H109, despite a considerable negative impact from the strengthening of the GBP against the USD.

Nevertheless, Fitch anticipates that capital adequacy will decline marginally in 2009 to reflect the increased capacity provided to Lloyd's syndicates, pressure on underwriting performance and the investment portfolio being more biased to risky assets.

In accordance with the Financial Groups Directive (FGD) provisions, the estimated regulatory capital position of the group at end-2008 was a surplus of GBP638m (2007: GBP536m). 33 million shares (8.8% of total) were repurchased for a total of GBP74m, mostly in 2008.

The group's underwriting risk appetite is set such that it should not lose more than one year's profit plus 15% of capital as a result of a one-in-250-bad year event.

### Financial Leverage and Balance-Sheet Quality

Fitch estimates that equity-adjusted financial leverage was 9% at end-2008, slightly down from 11% at end-2007. The group repaid the full amount of its loan facility (USD182m) during 2008. The facility was designated a hedging instrument in a net investment hedge relationship. In May 2008, the group refinanced its bank facilities with a GBP350m secured syndicated loan facility at a 1% margin over Libor. The GBP200m cash element of this is a five-year revolving facility. As of May 2009, a GBP180m letter of credit is being used as Funds at Lloyd's (FAL) and a further GBP98m of debt was drawn in December 2008 to fund the completion of the share buyback programme and the dividend payment. Currently, GBP72m is undrawn.

### Debt Servicing Capabilities

Interest coverage, as calculated by Fitch, was 21.4x at the end of 2008, compared with 30x in 2007. The reduction is due to reduced earnings generation in 2008.

Despite this decline, Fitch considers that this level is commensurate with the ratings and does not envisage a material deterioration in coverage in the foreseeable future.

**Hiscox Ltd (Consolidated)**

**Key Financials**

(GBP 000, (%), x coverage)	2001	2002	2003	2004	2005	2006	2007	2008
Total revenue	428,142	436,954	692,973	716,379	730,671	1,052,239	1,066,419	1,027,041
Operating result	-10,816	52,482	114,805	118,805	16,134	217,338	237,596	293,013
Net income	-15,822	21,103	54,971	50,109	48,630	163,846	191,248	70,808
Combined ratio (%)	107.3	91.4	84.6	86.6	104.0	82.8	83.8	78.4
Return on revenue (%)	-2.5	12.0	16.6	16.6	2.2	20.7	22.3	28.5
Total assets	863,666	1,097,522	1,346,790	1,610,694	2,238,014	2,348,700	2,614,565	3,244,559
Total adjusted equity	164,791	280,302	329,837	371,599	578,013	682,085	824,304	951,026
Coverage of the estimated minimum margin (x)	2.5	4.2	3.1	3.4	5.3	4.4	5.3	6.4

Source: Hiscox's accounts, Fitch

**Business Statistics**

	2001	2002	2003	2004	2005	2006	2007	2008
Nonlife gross written premiums	548,926	676,705	797,380	778,893	861,174	1,126,164	1,198,949	1,147,364
Annual change (%)	42.7	23.3	17.8	-2.3	10.6	30.8	6.5	-4.3
Nonlife net written premiums	412,577	416,144	660,966	681,566	681,236	975,397	974,910	930,464
Annual change (%)	58.3	0.9	58.8	3.1	-0.0	43.2	-0.0	-4.6
<b>Gross written premiums by line of business (%)</b>								
Accident & health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Motor TPL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Motor damage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAT	59.3	59.3	69.4	67.8	61.2	74.3	72.8	64.7
Property	23.8	23.3	16.7	17.4	21.5	12.8	13.6	17.7
General liability	16.9	17.4	13.9	14.7	17.3	12.8	13.6	17.7
Other nonlife	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Hiscox's accounts, Fitch

**Operating Statistics**

(GBP 000, (%), x coverage)	2001	2002	2003	2004	2005	2006	2007	2008
Total revenue	428,142	436,954	692,973	716,379	730,671	1,052,239	1,066,419	1,027,041
Operating result	-10,816	52,482	114,805	118,805	16,134	217,338	237,596	293,013
Net income	-15,822	21,103	54,971	50,109	48,630	163,846	191,248	70,808
Return on revenue (ex. gains) (%)	-2.5	12.0	16.6	16.6	2.2	20.7	22.3	28.5
Return on revenue (incl. gains) (%)	-2.5	12.3	17.7	17.4	1.6	23.5	23.2	16.6
Return on assets (incl. gains) (%)	-1.8	1.9	4.1	3.1	2.2	7.0	7.3	2.2
Return on book equity (incl. gains) (%)	-9.6	7.5	16.7	13.5	8.4	24.0	23.2	7.4
Return on adj. equity (incl. gains) (%)	-9.6	7.5	16.7	13.5	8.4	24.0	23.2	7.4
<b>Nonlife</b>								
Incurred loss ratio (%)	67.6	55.1	52.7	55.4	65.9	43.0	43.9	50.3
Commission ratio (%)	34.9	39.7	28.9	25.9	28.8	25.4	27.4	26.5
Expense ratio (%)	7.3	7.1	7.4	7.8	5.9	8.6	8.0	8.7
Reins. comm., profit participation, other ratio (%)	-2.6	-10.6	-4.3	-2.5	3.3	5.8	4.5	-7.1
Combined ratio (%)	107.3	91.4	84.6	86.6	104.0	82.8	83.8	78.4

**Portfolio performance**

Net investment income	15,565	20,810	32,007	34,813	49,435	76,842	91,509	96,577
Running yield (%)	3.8	3.3	3.9	3.3	3.0	4.4	4.5	3.8
Running yield (incl. realised gains) (%)	3.9	3.6	4.8	3.8	2.7	6.1	4.9	-1.0
Total yield (incl. unrealised gains) (%)	2.7	2.8	5.0	3.2	2.7	6.1	4.9	-1.0

**Portfolio composition (%)**

Real estate	0.1	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Shares	11.3	8.9	13.5	8.1	7.2	8.1	7.8	4.9
Affiliate equity	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3
Bonds	53.1	47.8	70.1	74.7	62.3	59.8	70.4	76.2
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mortgages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & bank deposits	35.5	43.2	16.2	16.7	30.5	32.0	21.8	18.5
Deposits with cedents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other invested assets	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Hiscox's accounts, Fitch

**Financial Statistics**

(GBP 000, (%), x coverage)	2001	2002	2003	2004	2005	2006	2007	2008
Total assets	863,666	1,097,522	1,346,790	1,610,694	2,238,014	2,348,700	2,614,565	3,244,559
Total adjusted equity	164,791	280,302	329,837	371,599	578,013	682,085	824,304	951,026
Change in adj. equity (%)	23.4	70.1	17.7	12.7	55.5	18.0	20.9	15.4
Coverage of the estimated minimum margin (x)	2.5	4.2	3.1	3.4	5.3	4.4	5.3	6.4
Nonlife technical reserves/nonlife NPW (%)	124.3	147.3	127.9	154.5	178.6	132.4	147.1	192.3
Nonlife claims reserves/nonlife NPW (%)	71.3	87.5	73.2	95.8	125.5	88.5	101.9	144.2
Nonlife technical reserves/adj. equity (%)	311.3	218.7	256.3	283.3	210.5	189.3	173.9	188.2
Technical reserves/adj. equity (%)	311.3	218.7	256.3	283.3	210.5	189.3	173.9	188.2
Invested assets/(adj. equity + technical reserves) (%)	60.1	69.9	70.3	74.8	92.0	88.4	90.9	92.3
Liquid assets/technical reserves (%)	79.3	101.7	97.7	100.8	135.7	135.0	143.0	140.9
Investment leverage (%)	28.2	19.4	32.8	23.2	19.7	19.7	18.3	12.5
Affiliated investment leverage (%)	28.2	19.4	32.8	23.2	19.7	19.7	18.5	13.2
Debt/capital (%)	1.2	0.0	0.1	0.0	17.3	12.0	10.0	8.7
Interest coverage (x)	n.a.	n.a.	n.a.	n.a.	22.1	22.4	30.0	21.4
Fixed charge coverage (x)	n.a.	n.a.	n.a.	n.a.	22.1	22.4	30.0	21.4
Nonlife reinsurance utilisation ratio (%)	24.8	38.5	17.1	12.5	20.9	13.4	18.7	18.9
Combined reinsurance utilisation ratio (%)	24.8	38.5	17.1	12.5	20.9	13.4	18.7	18.9
Tax rate (%)	37.2	23.1	29.4	30.9	30.7	18.5	19.4	32.7
Minority interests/net income (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	43.7	22.3	29.3	57.5	24.0	24.8	68.0
Underwriting cash flow ratio (%)	83.9	114.9	140.0	140.0	87.3	140.0	121.9	97.9
Operating cash flow ratio (%)	82.2	109.1	150.0	150.0	95.8	130.0	117.6	92.5

Source: Hiscox's accounts, Fitch

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