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## Aspen Insurance Holdings Ltd. Q2 2008 Earnings Call

### Question-and-Answer Session

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[Operator Instructions]. Our first question comes from Jay Gelb with Lehman Brothers. Please go ahead.

**Jay Gelb - Lehman Brothers**

Thanks and good morning. First, I just had a couple of quick numbers questions. Did you have a impact from catastrophe in dollar terms for the most recent quarter?

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

Yes, it's something like \$10 million Jay.

**Jay Gelb - Lehman Brothers**

Okay.

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

Just on... U.S. Midwest floods.

**Jay Gelb - Lehman Brothers**

In that case, does the cat load for the full year seem particularly high?

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

No, we're reducing guidance down to 115 from 135. So we have taken it down. But that's I think appropriate just on this particular time of year.

**Jay Gelb - Lehman Brothers**

All right, so it's definitely building in some conservatism, though, with wind season and things like that?

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

It's building in what we would call our normal expectations of a cat season.

**Jay Gelb - Lehman Brothers**

Right, okay. And then on the expense ratio, the general and admin, that was up 4 points for the quarter and the year-to-date. I think you mentioned that rate of increase may slow. Can you give us a sense of why that is and where it may ultimately settle out at?

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

Yes certainly Jay. Pleased to do that. The vast majority of that increase is attributable to new teams and to new platforms, which we alluded to, so we've got more bodies creating income for us and undoing it in new places for us as well, such as in Zurich, Singapore and Dublin and also Lloyd's which we opened up in Q2, so delighted to be there. But of course the written premium they're producing will feed through into well in the second half of this year and that's expected to bring the ratio down in the second half of this year. So it feels like, a bit of a high point right now as the new teams get going.

**Jay Gelb - Lehman Brothers**

And that trend should continue through next year?

**Richard Houghton - Chief Financial Officer and Principal Accounting Officer**

I would certainly hope so, but of course we've got less inflationary pressures which Chris was referring to, so it's our job to address those pressures. But you have the new teams, should continue to produce income and it will be earned through the book next year.

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