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HCC Insurance Holdings Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the line of David Lewis with Raymond James.

David Lewis - Raymond James

Thank you and good morning.

John N. Molbeck Jr. - President, Chief Operating Officer and Director

Good morning, David.

David Lewis - Raymond James

Congratulations on a very impressive quarter given the headwinds that everybody faced. Couple of questions, first on the debts [ph] and off shores reserve addition of \$35 million, do you see anything different out there in the market or is it just an opportunistic addition given that you had to release some development from the prior accident years?

John N. Molbeck Jr. - President, Chief Operating Officer and Director

This is John. We really don't see anything unusual going on in the market place. With as much turmoil is going on in the market place we though it would be folly to release reserves from prior years and it would be a much more conservative an ATC approach to put them into the effectively the 2007 year, just from the sake of prudence. From day one, when sub-prime became an issue, we said that our reserves of overall and our DNO group for adequate we continue to maintain that position.

David Lewis - Raymond James

That's helpful and kind of reviewing again kind of the pricing outlook, it seems to me that we ... with some of the turmoil for the health insurers that you may start to actually see some improved pricing trends out of the stop-loss which I guess accounts for close to 35% of your total book. You agree with that and you think what are ... that you are already starting to see some improvement, clearly we are seeing in the financial DNO and international aviation?

Frank J. Bramanti - Director and Chief Executive Officer

Well, I will speak to the non-active life and health book. This October we've actually seen price improvements on almost every line of business. Well that can be defined as two types, one is a less of a reduction than we would have been giving a month before or actual price increases. We are getting price increases in international aviation, we're getting price increases in energy and property

business, we're getting price increases in our A&H book internationally, we are certainly getting price increases in our financial products area. So it is pretty widespread. But we don't know is, how long it's going to last. And everybody can speculate, why are we're getting price increases.

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