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Aspen Insurance Holdings Limited, Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Noah Fields

Operator, can you start questions please.

Operator

(Operator Instructions). And your question comes from the line of Dan Farrell.

Dan Farrell - Fox-Pitt Kelton

Good morning.

Chris O'Kane

Hello Dan.

Dan Farrell

Hi. Couple of question, firstly I apologize if you touched on this in your comments but can you just go through again, some of the details on the movements in the reserve addition in the quarter. And in particular did any of the reserve movement relate to some of the premium adjustments that were taking place in the quarter.

Chris O'Kane

Yes certainly. The answer to your second question is no. And just to go to a bit more detail on what happened, in the major movements that we had in our international insurance segments, as I am sure you can see from the financial supplements, were we have \$24 million strengthening in the quarter. From that by far the biggest proportion that in respect of a California wildfire claim, where the issue is between utility owner and various property owners and it's a question of liability under that position. So that is by far the largest element of that reserve strengthening.

The second element I will pick up is on ship owner's liability, where we have had some strengthening in relations to 2007 and before. And a particular one item I will pick up is the wreckage of the [SS Napoli] which happened in 2007. We ended up with part (inaudible). As per the more expenses cleanup than have been anticipated.

So that's what has been happening on the negative side in international insurance. Though, on a positive side, we actually had some releases from prior year's in a limited way. From the property line and very early years of UK liability where we continue to see very good loss experience.

Dan Farrell - Fox-Pitt Kelton

That's helpful. Thank you. And then just on the combined ratio of guidance for next year, does that include any prior year reserve movement assumptions? And then, also on the CAT assumption over \$170 million, can you refresh us on what that compares to assumptions for a year ago when you were forecasting caps?

Chris O'Kane

Yes. Sure. We do not include any assumption in respect of prior year development in our anticipated number, in the 90 to 96 we quoted for you. Our CAT number for last year was 135. And so we have a small of our largest drivers not materially increasing CAT load.

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