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Specialty Underwriters' Alliance, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). We will go first to Bijan Moazami with FDR Capital Markets.

Bijan Moazami – Friedman, Billings, Ramsey & Co.

Good morning everyone. I have a number of questions. Courtney, first of all can you break down your loss ratio that what is your loss ratio LAE and ULAE? Do you have that information?

Courtney Smith

The split between the two is what you are asking for?

Bijan Moazami – Friedman, Billings, Ramsey & Co.

Yes.

Courtney Smith

Yeah, I think we can just a second here. While I get that would you have another question, Bijan?

Bijan Moazami – Friedman, Billings, Ramsey & Co

Yes, which one of your lines is most profitable, and which one you are trying to grow at this point? And the next question, go ahead.

Courtney Smith

I'll answer that while they get this. Our most profitable line has been our general liability line, then followed by our workers' compensation and then our trucking. And the problem with a general liability line is, it's a contractor line and it's because of the economy it's been hard to grow.

Bijan Moazami – Friedman, Billings, Ramsey & Co.

Okay, I'm sure that you had conversation with A.M. Best for their positive outlook on you guys. And you are couple of notch away from an A minus, but when you have conversation with A.M. Best, they say what you guys need to do in order to get to that to an A minus rating?

Courtney Smith

Yeah, the conversations we've had with A.M. Best is that we're only a four-year-old company, they would like to see the book of business to develop out a little bit more to what they call seasoning. And their expected patience is that see another year or two.

Bijan Moazami – Friedman, Billings, Ramsey & Co.

Okay, and then the last question. I'm not sure if you are able or willing to answer that question, but if you think give us an update of your conversation with Hallmark and if there is anything further you want to add to that situation?

Courtney Smith

Yeah, you are right I would rather not answer that today. We will be of course answering that in the proxy statements and stuff as they come out.

Bijan Moazami – Friedman, Billings, Ramsey & Co.

Okay. Thank you.

Peter Jokiel

Bijan, we don't publish the numbers for unallocated and allocated loss separately.

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