

Press Release - JUNE 02, 2008

A.M. Best Affirms Ratings of TT Club

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FOR IMMEDIATE RELEASE

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A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and the issuer credit rating (ICR) of "a-" of **Through Transport Mutual Insurance Association Limited (TTB)** (Bermuda) and its wholly owned subsidiary, **TT Club Mutual Insurance Limited (TTI)** (United Kingdom) (formerly known as Through Transport Mutual Insurance Association [EurAsia] Limited). The two companies collectively trade as TT Club. The ratings of TTI continue to reflect A.M. Best's view that the company is an integral part of TT Club's worldwide strategy. The outlook for both ratings remains stable.

A.M. Best believes that TT Club will maintain excellent risk-adjusted capitalisation in 2008-2009, despite some weakening in 2007. The company continues to benefit from a comprehensive catastrophe reinsurance programme, which has the advantage of extensive vertical and horizontal protection. A USD 30 million subordinated loan (issued in October 2006) also contributes to its strong level of capitalisation.

A.M. Best anticipates that TT Club will report combined ratios in the region of 105%-110% in 2008-2009, in line with its 108% combined ratio in 2007. TT Club is therefore likely to remain dependent on investment income to generate a profit over this period, making it vulnerable to falling interest rates and current uncertainty in financial markets. The club is taking steps to improve underwriting performance. Measures taken in 2008 include increasing the deductibles on loss-making accounts, expense savings and continued use of its loss prevention programme. However, A.M. Best believes that weakening market conditions are likely to somewhat counteract measures taken to improve the underwriting profit in 2008-2009.

In A.M. Best's opinion, TT Club has a strong business profile in its niche market, focusing on the provision of insurance and risk management services to the international marine transport and logistics industry. The club's superior service provision resulted in high policyholder retention of 96% in 2007.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit [Best's Rating Center](#).

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