



SNL Insurance Daily™

Thursday, March 19, 2009

AIG's Liddy asked for return of bonuses, but fears damage is done

by *David Dankwa*

American International Group Inc. Chairman and CEO Edward Liddy told lawmakers March 18 that he asked individual employees who received a controversial bonus package — specifically, those who got more than \$100,000 — to voluntarily return at least half the amount.

Liddy, who appeared before the House Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, said some of the employees already agreed to return 100% of their bonuses.

The CEO, who was accosted by protestors when he walked up to his seat to testify, however, resisted a request from Rep. Barney Frank, D-Mass., chairman of the House Financial Services Committee, to disclose the names of the executives for security reasons. Liddy said he would only comply if there was an absolute assurance from Congress that the names would be kept confidential.

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Commercial insurers reassessing risk appetite as balance sheet pressure mounts

by *David Dankwa*

Commercial insurance rates are expected to continue to harden throughout the year, driven largely by carriers' efforts to recoup billions of dollars of investment losses.

Jeffrey Carlson, a senior P&C consultant with Towers Perrin, said insurance company heads, under enormous pressure to shore up sinking investment returns and surplus, are reassessing their risk appetite and ratcheting up rates, as well as the quality of the business they are writing.

"They recognize that the reward for their risk has to be improved a bit given that their balance sheets have been hit pretty hard," Carlson told SNL.

Some industry experts contend that given recent staggering investment losses, insurers will find it difficult to take full advantage of pricing opportunities in the upcoming hard market cycle. Others like Carlson insist that there is still plenty of capital in the insurance industry and that "the vast majority of the players are still out there and looking to maintain their market shares."

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News Stories

Multiline

American International Group Inc. **AIG**
Close: \$1.38 +0.42 (+43.7%) **Vol: 583,741,061 (822% of Avg.)**
Deutsche Bank AG **DBK**

Some of American International Group Inc.'s billions of dollars in bailout money may go to hedge funds that bet the housing market would fall, *The Wall Street Journal* reported March 18, citing sources close to the matter and documents.

The newspaper said the insurer has put in escrow some money for Deutsche Bank AG for this purpose and possibly others. Documents viewed by the *Journal* indicate that trades with hedge funds left AIG exposed to billions of dollars worth of assets tied to souring mortgages.

In 2005, the *Journal* said, Deutsche Bank engaged in a transaction with AIG involving "START" collateralized debt obligations. On \$1 billion of insurance, AIG made less than \$10 million per year, securities filings indicated.

When AIG's credit rating was cut last year, it paid about \$800 million to START, people close to the matter told the *Journal*. Should certain

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Now Featured on SNL*i*

Assured awaiting more approvals for FSA deal

President and CEO Dominic Frederico said his company's acquisition of Financial Security Assurance was set to close in the second quarter. Speaking at a conference, Frederico also commented on federal assistance for the municipal market.

<http://www.snl.com/interactivex/article.aspx?id=9230434>

Ambac CEO calls company the 'canary in a coal mine'

CEO David Wallis said the company has been in "the thick of things" during the collapse of the once lucrative structured finance guaranty business and suggested it has an unparalleled perspective on the broader bond insurance business.

<http://www.snl.com/interactivex/article.aspx?id=9231143>

Crunching the wrappers

Insurance stocks ended February much the same as in the first half of the month, with MBIA remaining the stock with the greatest volume of short interest as a percentage of shares outstanding.

<http://www.snl.com/interactivex/article.aspx?id=9215904>

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AIG *continued*

He said his office received a number of threatening letters, including one that expressed a desire to wring the neck of AIG executives with piano wire. "I very much want to comply, and I'd hope it doesn't take a subpoena," Liddy said about the name request.

Liddy faced a barrage of questions from lawmakers who expressed anger about news earlier this week that AIG paid out \$165 million in bonuses to a number of employees, including those within the financial products division that contributed to the company's near-collapse.

He said the company, with great angst, made the decision to pay the bonuses to certain employees in that division to protect a \$1.6 trillion derivatives trading book within that business. Liddy said the employees who received the bonuses include derivative traders who manage complex portfolios and that he is trying to prevent an uncontrolled collapse of that business and prevent a systemic shock to the economy.

"I don't want that book to blow up," he said. "I don't want that business to erupt on us."

Liddy expressed fear that damage had already been done to the derivative book of business and that the employees who manage it

would return the bonuses along with their resignations. He said the company is executing a methodical, orderly wind down of the financial products division, reducing the notional value of the derivative business from \$2.7 trillion to \$1.6 trillion.

Rep. Paul Kanjorski, D-Pa., who chairs the subcommittee, said he told Liddy in a personal telephone conversation several weeks ago to suppress bonus payments, warning that any such action would invite a public outcry and jeopardize efforts to pass a second government rescue package to stimulate the U.S. economy. Although he said Liddy is not responsible for the problems at AIG, Kanjorski said Liddy's decision to pay the bonuses indeed had that effect.

Earlier in the day, President Barack Obama said he called Frank to discuss new legislative tools that the government could use to prevent companies from paying their executives undeserved bonuses.

COMPANY REFERENCED IN THIS ARTICLE:

American International Group Inc. **AIG**
Close: \$1.38 +0.42 (+43.7%) **Vol: 583,741,061 (822% of Avg.)**

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Commercial insurers *continued*

There is general agreement though that prices will steadily improve throughout the year. The question is, how dramatically? Historically, the insurance industry has experienced 10% to 15% rate hikes following major industry loss events, such as Hurricane Katrina.

David Lewis, an analyst with Raymond James & Associates Inc., predicted last month that P&C insurers are unlikely to see those kinds of price spikes in the coming cycle unless there is significant deterioration in investment portfolios over the next 12 to 18 months. "I think a lot would be dependent upon ultimately what happens to the invested assets side of the portfolio," Lewis said at a securities analyst conference in New York.

Lewis also observed at the time that commercial rates were clearly improving from 12% to 13% declines over the past several quarters. Towers Perrin's recent commercial insurance pricing study confirms that, showing that rates fell by 3% during the fourth quarter on a year-over-year basis, representing the smallest reduction in the past eight quarters.

The study also showed that workers' compensation, property and large accounts, among product lines and market segments experiencing the biggest reductions in pricing in recent years, have begun to stabilize. Specialty lines, which include professional liability, were an exception within commercial lines where price changes remained fairly flat, according to the study.

Towers Perrin's study also revealed that accident-year 2007 loss ratios deteriorated 7% compared to 2006. Accident-year 2008 loss ratios rose an additional 12% relative to 2007. The deterioration continues a five-year trend, with prices overall easing 11% since 2004, despite continuing increases in loss inflation.

[Full filing](#)

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News Stories *continued*

mortgage defaults rise above a specific level, much of this will go to Deutsche and ultimately some may go to the German bank's hedge fund clients.

Separately, the *Journal* reported March 18 that the Obama administration is planning to use an executive pay provision in the stimulus law to retrieve bonuses to AIG executives that prompted a public outcry.

The U.S. Treasury Department may be able to claim the payments were "inconsistent with the purpose" of the Troubled Asset Relief Program or "otherwise contrary to public interest," the *Journal* said.

On March 17, Treasury Secretary Timothy Geithner said the Treasury would use the law to claw back the cost of bonuses totaling some \$165 million to executives, which resulted in something of a media storm, from the pending \$30 billion in further bailout funds.

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American International Group Inc. **AIG**

American International Group Inc. is trying to sell its New York headquarters, the *New York Post* reported March 18.

According to the publication, one of the interested buyers is the union representing porters and doormen in the city.

AIG hired CB Richard Ellis to assist in the sale of the 66-story building at 70 Pine St. in Manhattan. AIG may receive at most \$100 million from the sale, the *Post* reported, citing industry sources. AIG may also be attempting to sell a connected building at 72 Wall St., according to the report.

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News Stories *continued*

Hannover Ruckversicherungs AG Haftpflichtverband der Deutschen Intl Insurance Co. of Hannover Ltd.

A.M. Best on March 17 upgraded the financial strength rating to A from A- and the issuer credit rating to "a+" from "a-" for International Insurance Co. of Hannover Ltd., a unit of Hannover Re.

The outlook for both ratings is stable.

The upgrades reflect the company's closer integration with Hannover Re and increased reinsurance support from Hannover Re and affiliates.

The rating agency anticipates the company's stand-alone risk-adjusted capitalization to remain strong in 2009. In addition, the rating agency believes the additional reinsurance support marks a strengthening of the importance of the company to Hannover Re.

Hannover Re is majority owned by Haftpflichtverband der Deutschen Industrie VaG.

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International Lease Finance Corp. American International Group Inc.

AIG

Moody's on March 17 downgraded International Lease Finance Corp., commenting on the likely ratings impact if American International Group Inc. sells the unit.

The rating agency downgraded ILFC's senior unsecured rating to Baa2 from Baa1 and confirmed its short-term rating of Prime-2. The ratings on ILFC's trust preferred securities, E-Capital Trusts I and II, were lowered to Ba1 from Baa3. ILFC's rating outlook is negative. Moody's action concludes the review with direction uncertain that was placed on the unit's ratings Oct. 3, 2008.

The rating agency said a sale to a strong, highly rated strategic investor could strengthen ILFC's ratings, but a sale to a financial investor-led consortium would be unlikely to enhance the ratings.

The negative rating outlook factors in the heightened potential that a deeper and lengthier economic downturn could negatively affect the performance of ILFC's aircraft lease portfolio.

Although AIG reported strong preliminary 2008 operating results for the aircraft leasing unit, pressure on airlines' earnings, and the potential for higher lease defaults and lower aircraft lease rates

could weaken the unit's profitability. The global economic slow-down could lead to weaker demand for leased aircraft, putting further downward pressure on lease rates and terms.

The negative outlook also incorporates the uncertainty regarding ILFC's ultimate ownership and associated implications for the firm's long-term capital structure and operating and financial strategies.

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Max Capital Group Ltd.
Close: \$18.29 +1.27 (+7.5%)

MXGL
Vol: 592,257 (129% of Avg.)

Alstra Capital Management LLC

Canadian Imperial Bank of Commerce
Close: C\$46.20 -0.64 (-1.4%)

CM
Vol: 2,803,869

Max Capital Group Ltd. said in a Form 8-K filed March 17 that its unit Max Diversified Services Ltd. on March 16 entered into a termination agreement to end its customer agreement with Alstra Capital Management LLC, effective Jan. 31.

The termination provides for a one-time termination payment to Alstra Capital of about \$2.0 million and includes certain customary waivers and releases between the parties.

Also on March 16, Max Diversified Services and Max Bermuda Ltd. entered an amendment with Canadian Imperial Bank of Commerce to amend certain agreements under a total return swap.

The amendment provides for, among other things, a decrease in the maximum notional amount under the swap to \$160.0 million and a repurchase by Max Bermuda of 50,613 common shares of Max Diversified Services from Canadian Imperial Bank for consideration in the amount of about \$81.3 million.

In the event of certain redemptions of common shares of Max Diversified Services by Max Bermuda, Canadian Imperial Bank will have the right to require Max Bermuda to repurchase from the bank the number of shares equal to at least 50% of the shares redeemed.

[03/17/09 Max Capital Group Ltd 8-K](#)

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News Stories *continued*

Life & Health

Ohio National Mutual Holdings Inc.

Ohio National Financial Services Inc.

UNIFI Mutual Holding Co.

Union Central Life Insurance Co.

Ohio National Mutual Holdings Inc. unit Ohio National Financial Services Inc. appointed Kristal Hambrick senior vice president of life product management, BestWire reported March 16.

Previously, Hambrick served as vice president and actuary at UNIFI Mutual Holding Co. unit Union Central Life Insurance Co.

[✉ E-mail this story.](#)

Presidential Life Corp.

Close: \$7.70 -0.03 (-0.4%)

PLFE

Vol: 98,986 (119% of Avg.)

Presidential Life Insurance Co.

Standard & Poor's Ratings Services on March 17 revised its outlook on Presidential Life Corp. and its unit, Presidential Life Insurance Co., to stable from positive.

Concurrently, the rating agency affirmed its counterparty credit rating of B+ on the company and the BB+ counterparty credit and financial strength ratings on Presidential Life Insurance.

Subsequently, the rating agency will withdraw its ratings on Presidential Life and Presidential Life Insurance at the company's request.

S&P credit analyst Adrian Pask said the ratings on Presidential Life Insurance represent the rating agency's view that the company possesses strong capital, which is assisted by a lack of new-business strain, but the company is weak against a broad range of risks, which include its narrow competitive position, a large block of fixed-annuity contracts with little or no surrender protection, and reliance on investment income produced by risky limited partnerships.

These risks are offset, in part, by the improvement in its interest rate risk management through a derivative-use policy implemented in late 2005.

S&P believes Presidential Life Insurance has an adequate risk-management framework and expects it to improve as the company focuses on its development.

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Sun Life Financial Inc.

Close: C\$23.47 +0.69 (+3.0%)

SLF

Vol: 2,704,863

Sun Life Financial Inc. and Malaysia's CIMB Bank agreed to form an insurance joint venture in Indonesia, Reuters reported March 16.

Under the joint venture, CIMB Bank will sell a 49% in Indonesia's PT Commerce International to Sun Life Financial for \$22.7 million, the news outlet reported.

The joint venture will later be renamed CIMB Sun Life and will sell insurance products and services in the Indonesian insurance market.

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Property & Casualty

Arch Capital Group Ltd.

Close: \$55.40 +2.16 (+4.1%)

ACGL

Vol: 735,470 (141% of Avg.)

Arch Reinsurance Co.

Arch Capital Group Ltd. unit Arch Reinsurance Co. said March 16 that it appointed John Rathgeber chairman and CEO, and Tim Olson president and COO, effective March 1.

Prior to their new positions, Rathgeber served as president and CEO, and Olson served as chief underwriting officer.

Additionally, the company named Barry Golub CFO, also effective March 1. Golub had previously served as controller at the company.

[📄 03/16/09 Arch Reinsurance Co. Press Release](#)

[✉ E-mail this story.](#)

Baldwin & Lyons Inc.

Close: \$19.25 +0.81 (+4.4%)

BWINB

Vol: 17,437 (69% of Avg.)

Baldwin & Lyons Inc. said March 16 that it filed a notification of late filing related to its Form 10-K for the year ended Dec. 31, 2008.

The delay results from the receipt of information affecting the treatment of the timing of recording changes in market value on certain investment holdings. The company said the anticipated change does not affect the valuation of the related asset at Dec. 31, 2008, but merely the timing of recognition of changes in the market value of the asset in the income statement.

Consequently, the loss per share attributable to investments and net loss per share are expected to increase by 15 cents for the fourth quarter and full year ended Dec. 31, 2008.

Baldwin & Lyons does not expect operating earnings, comprehensive income and book value per share to be affected.

The company originally reported a net income of \$117,000, or 1 cent per share, for the fourth quarter, and a net loss of \$5.5 million, or 36 cents per share, for 2008.

As adjusted, the company expects to report a net loss of \$2.1 million, or 14 cents per share, for the fourth quarter and a net loss of \$7.7 million, or 51 cents per share, for 2008.

[📄 03/16/09 Baldwin & Lyons Inc. Press Release](#)

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Harleysville Mutual Insurance Co.

Harleysville Group Inc.

Close: \$31.75 +1.22 (+4.0%)

HGIC

Vol: 82,833 (90% of Avg.)

Harleysville Insurance Co.

Harleysville Group Inc. unit Harleysville Insurance Co. said March 17 that it named Beth Friel senior vice president of human resources.

In this position, Friel will be responsible for the design, planning and administration of all human resources programs for the company's employees. Friel has been with the company since 2006.

Harleysville Mutual Insurance Co. is the ultimate parent of Harleysville Insurance.

[📄 03/17/09 Harleysville Group Inc. Press Release](#)

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News Stories *continued*

Homeowners Choice Inc.

Close: \$5.00 -0.35 (-6.5%)

HCII
Vol: 2,010

Homeowners Choice Inc. said March 18 that its board authorized a plan to buy back up to \$3 million of the company's common shares over the next year, subject to market conditions.

The plan will permit the company to repurchase shares from time to time for cash in open market purchases, block transactions and privately negotiated transactions.

The company recently reported net income of \$2.08 per share, based on net income of about \$12.7 million for fiscal 2008.

[03/10/09 Homeowners Choice Inc. 8-K](#)

[03/18/09 Homeowners Choice Inc. Press Release](#)

[E-mail this story.](#)

Selective Insurance Group Inc.

Close: \$13.17 +0.22 (+1.7%)

SIGI
Vol: 553,684 (171% of Avg.)

Selective Auto Insurance Co. of NJ

Selective Insurance Co. of America

Selective Insurance Co. of New England

Selective Insurance Co. of New York

Selective Insurance Co. of South Carolina

Selective Insurance Co. of the Southeast

Selective Way Insurance Co.

Fitch Ratings on March 17 affirmed the issuer default rating of A-, senior debt rating of BBB+ and junior subordinated debt rating of BBB of Selective Insurance Group Inc.

At the same time, the rating agency affirmed the insurer financial strength ratings of A+ of the company's units Selective Insurance Co. of America, Selective Way Insurance Co., Selective Insurance Co. of South Carolina, Selective Insurance Co. of the Southeast, Selective Insurance Co. of New York, Selective Insurance Co. of New England and Selective Auto Insurance Co. of New Jersey.

The outlook was revised to negative from stable.

The affirmation of Selective Insurance Group's ratings takes into account its disciplined underwriting culture, conservative balance sheet and strong independent agency relationships, among other factors.

The negative outlook acknowledges deterioration of Selective Insurance Group's recent underwriting performance on an absolute

basis and relative to its rating category. Factors such as a material deterioration of capitalization or of underwriting performance on an absolute basis and relative to insurance industry peers could lead Fitch to downgrade the ratings.

[E-mail this story.](#)

State Farm Mutl Automobile Insurance Co.

The U.S. Consumer Product Safety Commission and Health Canada said March 17 that State Farm Mutual Automobile Insurance Co. voluntarily recalled about 800,000 toy bears in the U.S. and 27,000 in Canada, citing a choking hazard for young children.

The insurer's agents gave away the State Farm Good Neigh Bears at State Farm-sponsored events from September 2005 through March 2007.

The company received one report of a bear losing a plastic eye and a girl putting it in her mouth. No injuries were reported.

The consumer bodies urged consumers to stop using the recalled products, take them away from young children and discard them.

[03/17/09 State Farm Mutl Automobile Ins Press Release](#)

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Managed Care

Molina Healthcare Inc.

Close: \$20.89 +0.47 (+2.3%)

MOH
Vol: 148,737 (48% of Avg.)

Molina Healthcare Inc. said March 17 that it named Joanne Volovar president of unit Molina Healthcare of Missouri.

Volovar has more than 20 years of health care industry experience and has held numerous senior leadership positions in the health care industry.

[03/17/09 Molina Healthcare Inc. Press Release](#)

[E-mail this story.](#)

Insurance Brokers

Willis Group Holdings Ltd.

Close: \$22.84 +0.68 (+3.1%)

WSH
Vol: 1,030,434 (75% of Avg.)

In an effort to cut costs, Willis Group Holdings Ltd. asked its staff to take unpaid leave, according to a March 18 report from Global Reinsurance.



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News Stories *continued*

The news outlet also said Willis Chairman and CEO Joseph Plumeri offered staff the option of reducing working hours in exchange for a cash incentive.

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Other

New York Life Insurance Group

New York Life Funding

New York Life Global Funding

New York Life Insurance & Annuity Corp.

New York Life Insurance Co.

Moody's affirmed the Aaa insurance financial strength ratings of New York Life Insurance Co. and its principal subsidiary, New York Life Insurance & Annuity Corp., but changed their outlook to negative from stable.

Moody's also affirmed with a negative outlook the Aa2 rating of New York Life's surplus notes and the Aaa debt ratings of New York Life's funding agreement-backed medium-term note programs.

Moody's said the affirmation is based on, among other things, New York Life's continued leading position in the U.S. life insurance market, financial flexibility and scale, earnings diversity, "very strong" liquidity and "outstanding capitalization."

The rating agency said the outlook change primarily reflects industrywide pressures on the company's capital and profitability over the medium term based on potential for increasing levels of investment losses from the weak economy and capital markets.

Moody's also affirmed with a negative outlook New York Life's short-term insurance financial strength at Prime-1 and its surplus note rating at Aa2; New York Life Funding's and New York Life Global Funding's backed senior debt at Aaa; and New York Life Capital Corp.'s backed short-term debt rating for commercial paper at Prime-1.

New York Life is a unit of New York Life Insurance Group.

✉ [E-mail this story.](#)

Old Mutual plc

Old Mutual plc said March 18 that its U.S. life offshore business, Old Mutual Bermuda, will be closed to new business effective immediately.

Old Mutual Bermuda's management has been focused on rebuilding its business by writing specialist investment products. But management has concluded that it is unlikely Old Mutual Bermuda can launch products within its risk requirements and provide an acceptable return on capital.

Industry News

Fed says it will buy up to \$300 billion in Treasuries

The Federal Open Market Committee said March 18 that it will maintain its target range for the federal funds rate at zero percent to 0.25%, anticipating that economic conditions will warrant the low levels for an extended period.

The committee plans to increase the size of the Federal Reserve's balance sheet to provide greater support to the mortgage lending and housing markets through the purchase of \$750 billion of

Closing the unit to new business should assist in decreasing risk and reducing costs by running Old Mutual Bermuda under a more streamlined team.

"One of our key priorities is strengthening governance and risk management and we have taken the decision to close OMB to new business with this in mind," Old Mutual CEO Julian Roberts said in a news release. "The action in connection with OMB will provide greater certainty in respect of the business's future liabilities and will therefore strengthen the Group as a whole."

📅 [03/18/09 Old Mutual Plc Press Release](#)

✉ [E-mail this story.](#)

Old Mutual plc

OM Financial Life Insurance Co.

OM Financial Life Insurance Co. of NY

A.M. Best on March 17 lowered London-based life and health insurer Old Mutual plc's issuer credit rating to "bbb+" from "a-."

The rating agency also downgraded the financial strength rating to A- from A and the issuer credit ratings to "a-" from "a" for the company's U.S. L&H subsidiaries, OM Financial Life Insurance Co. and OM Financial Life Insurance Co. of New York.

The outlook on all ratings has been revised to stable from negative.

The ratings action follow the company's announcement of its 2008 results, which shows "weaknesses" in its U.S. operations, and also a decline in the group's overall risk-adjusted capitalization.

A.M. Best thinks the negative financial performance of the company's U.S. operations partially reflects the historical inadequacy of its risk management, which came to light in the second half of 2008, following problems with the hedging program on its U.S. offshore business.

The agency also noted that the company's liquidity remains robust, and the group's existing credit lines are "sufficient to meet its cash-flow needs in the short to medium term."

The agency also downgraded the debt ratings of the company's £350 million perpetual preferred callable securities; its \$750 million 8% guaranteed cumulative perpetual preferred securities; and its £300 million 10-year noncall, five-year subordinated notes, due 2016, to "bbb" from "bbb+."

📅 [03/04/09 Old Mutual Plc Earnings Release](#)

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agency mortgage-backed securities and by increasing its purchases of agency debt by up to \$100 billion in 2009. The committee also decided to purchase up to \$300 billion of longer-term Treasuries during the next six months to help improve conditions in private credit markets.

The committee said recent information suggests the economy "continues to contract." Consumer sentiment and spending are weighed down by "job losses, declining equity and housing wealth, and tight credit conditions," the committee said. Major trading partners have

Industry News *continued*

fallen into recession, which has driven down exports.

The policy decision was unanimous. At its January meeting, Jeffrey Lacker, president of the Federal Reserve Bank of Richmond, cast a dissenting vote, saying he was opposed to targeted lending programs. Instead, Lacker "preferred to expand the monetary base by purchasing U.S. Treasury securities," according to the minutes of the meeting.

Adolfo Laurenti, a senior economist with Mesirow Financial, told SNL that Lacker reasoned, "If you start buying specific classes of assets, you create a distortion in the markets."

The committee may have decided to buy Treasuries at this meeting to appease Lacker, according to Laurenti, but it also may have had other motivations. Laurenti said that with yields on Treasuries now at low levels, keeping them there might provide an impetus "to help people eventually move out" of Treasuries "and regain some appetite for risk."

 [Full filing](#)

 [E-mail this story.](#)

Brotherhood Mutual names chairman, other directors

Brotherhood Mutual Insurance Co. named President and CEO Mark Robison chairman of the board, replacing James Blum, *Insurance Journal* reported March 16.

Blum will remain an active board member.

Robison has served as vice president, treasurer and president of

Brotherhood Mutual and has served on the board since 1998, the report said. He joined Brotherhood Mutual in 1994 as assistant vice president of finance.

Also named to the board were Brotherhood Mutual Vice President of Finance Matthew Hirschy, Ambassador Family Enterprises Chief Investment Officer Garrett Cooper and Fellowship of Evangelical Churches President Ron Habbegger.

Dale Ferrier stepped down from the executive committee to become an honorary director. Former Brotherhood Mutual Chairman, President and CEO Paul Steiner left the board after 41 years as a member.

 [E-mail this story.](#)

NAIC panels to conduct hearing on credit-based insurance scoring

The NAIC will conduct a public hearing on the practice of credit-based insurance scoring this spring, BestWire reported March 17, citing officials at the body's meeting in San Diego.

Holding this special joint meeting would be two committees of the organization of state insurance regulators — the P&C insurance committee and the market regulation and consumer affairs committee. This comes in response to mounting calls for a halt on the practice because of the ongoing economic situation, according to BestWire.

This event would largely focus on how the insurance industry is using this scoring system and its possible effects on policyholders,

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Industry News *continued*

especially amid the existing economic conditions, the news outlet reported, quoting Oklahoma Insurance Commissioner Kim Holland, chairwoman of the market regulation committee. The exact date and location for the event have not been specified yet.

Holland told BestWire that the two panels will at least make a report on the hearing and will work toward making recommendations to the full NAIC on the related topic.

[✉ E-mail this story.](#)

NAIC adopts climate change risk disclosure requirement

The National Association of Insurance Commissioners said March 17 that it adopted a mandatory requirement that requires insurance companies to disclose to regulators the financial risks they face from climate change, as well as actions the companies are taking to respond to those risks.

All insurance companies with annual premiums of \$500 million or more will be required to complete an insurer climate risk disclosure survey each year, with an initial reporting deadline of May 1, 2010. The surveys must be submitted in the state where the insurance company is domiciled.

The scope of issues covered by the new disclosure requirement is broad, reflecting the many ways in which climate change will impact the insurance industry.

In addition to reporting on how they are altering their risk-management and catastrophe-risk modeling in light of the challenges posed by climate change, insurers will also need to report on steps they are taking to engage and educate policymakers and policyholders on the risks of climate change, as well as whether and how they are changing their investment strategies.

[Full filing](#)

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FASB improves guidance on fair value measurements, securities impairments

The Financial Accounting Standards Board on March 17 issued two proposed staff positions intended to give additional application guidance relating to fair value measurements and impairments of securities.

Proposed staff position FAS 157-e, "Determining whether a market is not active and a transaction is not distressed," provides guidelines for making fair value measurements consistent with the principles in FASB Statement No. 157, which provides a framework for measuring fair value and a definition of fair value looking at an orderly transaction between market participants.

The FASB said it would help people determine whether a market is active or inactive and whether a transaction is distressed.

Proposed staff position FAS 115-a, FAS 124-a and EITF 99-20-b, "Recognition and presentation of other-than-temporary impairments," is intended to give investors more clarity on the credit and noncredit component of an other-than-temporary impairment event and to more effectively communicate when such an event has occurred.

It would apply to both debt and equity securities, and requires a separate display of losses related to credit deterioration and those related to other market factors.

Both staff positions would be effective for interim and annual periods ending after March 15, if approved. Written comments on both

staff positions are due by April 1.

The FASB also has a joint project with the International Accounting Standards Board aimed at revamping and converging their respective standards relating to financial instruments accounting.

[Full filing](#)

[✉ E-mail this story.](#)

SEC charges Madoff auditors with securities fraud

The SEC on March 18 charged auditors of Bernard Madoff's broker/dealer firm with committing securities fraud by falsely representing that they had conducted legitimate audits of Bernard L. Madoff Investment Securities LLC.

The SEC alleged, in a complaint filed in federal court in Manhattan, N.Y., that from 1991 through 2008, CPA David Friehling and his firm, Friehling & Horowitz CPAs P.C., falsely claimed that they audited financial statements and disclosures of Madoff's firm, thereby enabling Madoff's Ponzi scheme.

James Clarkson, acting director of the SEC's New York regional office, said in a statement that Friehling "essentially sold his license to Madoff for more than 17 years," deceiving investors and regulators by declaring that Madoff's business had a clean audit record.

The SEC also said Friehling obtained ill-gotten gains through compensation from Madoff and his firm, and from withdrawing returns from accounts held at the firm.

Among other things, the SEC's complaint seeks financial penalties and a court order requiring both Friehling and his accounting company to disgorge their allegedly ill-gotten gains.

[Full filing](#)

[✉ E-mail this story.](#)

Report: 3 insurance companies start up in Bermuda in February

Figures from the Bermuda Monetary Authority show that three insurance companies started business in Bermuda in February, *The (Bermuda) Royal Gazette* reported March 17.

The companies are Sumit Insurance Co. Ltd., a class 3 insurer set up by Aon Corp.'s Aon Insurance Managers (Bermuda) Ltd. on Feb. 2; class 2 insurer Seven Oaks Insurance Ltd., set up Feb. 3 by Marsh & McLennan Cos. Inc.'s Marsh Management Services (Bermuda) Ltd.; and Engineering Consultants Underwriters Ltd., a class 1 insurer started up by Independent Management Group Ltd. on Feb. 9.

[✉ E-mail this story.](#)

People's Trust Insurance enters into consent order, halts writing new policies

Florida Insurance Commissioner Kevin McCarty on March 18 said the Office of Insurance Regulation and People's Trust Insurance Co. entered into a consent order that requires People's Trust to stop writing new policies until it complies with provisions of the order.

The Office of Insurance Regulation found, among other things, that People's Trust failed to obtain inspection reports to confirm replacement cost values and/or insurability; failed to obtain proof of protective devices; failed to comply with various practices related to claims submission, investigation and payment; and failed to comply with its approved business plan, by writing more policies than allowed.

Industry News *continued*

The consent order requires People's Trust to, within 30 days, pay an administrative penalty of \$150,000 and \$5,000 in costs, deposit \$500,000 with the Bureau of Collateral Management and provide the office with a certification that it put into place the required corrective measures.

People's Trust will not be able to sell new policies until it meets the conditions of the order, but it still must continue to service existing customers and claims.

People's Trust Insurance, a unit of People's Trust Holdings LLC, wrote \$22.7 million in direct premiums in 2008, according to SNL Financial data.

[Full filing](#)

[E-mail this story.](#)

P&C reinsurance survey reveals higher net premiums written in '08

The Reinsurance Association of America said March 17 that 19 U.S. P&C reinsurers wrote \$23.9 billion of net premiums during 2008, jumping \$1.2 billion from 2007.

The trade association of reinsurers and reinsurance brokers conducted a survey of reinsurers' statutory underwriting results. The combined ratio for the group was 101.8%, compared to the 94.7% combined ratio reported for 2007.

The association's report said the combined ratio can be attributed to a 71.0% loss ratio and an expense ratio of 30.7%. Policyholders' surplus was \$64.4 billion, down from \$75.9 billion reported for 2007.

[Full filing](#)

[E-mail this story.](#)

Earnings Announcements - Reported in U.S. Dollars

Company	Ticker (Sector)	Qtr	Closing	Price △ % (1 Day)	Current		First Call Cons. (\$)	EPS (\$) Yr Ago Period	EPS △ % Yr Ago Period	Price/ TangBk (%)	Price/ EPS (x)	Price/ LTM EPS (x)
			Price 03/18/09 (\$)		Net Income (\$000)	EPS (\$)						
FOR QUARTER ENDED 12/31/08												
Am Independence	AMIC (LH)	4	3.09	-2.22	-1,221	-0.14	NA	0.04	NM	46.8	NM	28.1
Hilltop Hldgs	HTH (PC)	4	11.54	0.17	6,389	0.07	NA	0.18	-61.1	102.7	41.2	NM
Natl Western Life	NWLI (LH)	4	105.70	-0.94	10,853	2.98	NA	7.99	-62.7	38.9	8.9	11.5
Pru Annuities Li	(LH)	4	NA	NA	12,384	NA	NA	NA	NA	NA	NA	NA

NEW FROM SNL: CURRENT AND HISTORICAL INVESTMENT DETAIL

Perform credit and valuation analysis with easy-to-use reporting tools.

SNL has made our statutory insurance data offering even more powerful and user-friendly with new detailed investment analysis tools. Use these enhanced reports to quickly perform credit and valuation analysis by asset type. View SNL's guaranteed accurate data as it was reported or at the group level to:

- Identify insurance company or group exposure to specific investment securities or issuers as the result of a credit event
- Examine investment exposure by asset and issuer type, plus ratings from the four largest agencies
- Access quarterly holdings with updates for asset purchases and sales

[Access any company's briefing book, then click on "Investment Details" to find this new data. To learn more, contact SNL Support at \[support@snl.com\]\(mailto:support@snl.com\); 888.275.2822.](#)



SNL Financial One SNL Plaza, Charlottesville, VA 22902

Earnings Announcements - Reported in U.S. Dollars *continued*

Company	Ticker (Sector)	Qtr	Closing	Price	Current		First Call Cons.	EPS (\$) Yr Ago	EPS Δ % Yr Ago	Price/ TangBk (%)	Price/ EPS (x)	Price/ LTM EPS (x)
			Price 03/18/09 (\$)	Δ % (1 Day)	Net Income (\$000)	EPS (\$)						
FOR QUARTER ENDED 12/31/08 <i>continued</i>												
Pruco Life Ins Co	(LH)	4	NA	NA	128,192	NA	NA	NA	NA	NA	NA	NA
WellCare Health	WCG (MC)	4	10.15	12.90	-31,089	-0.75	0.77	1.41	NM	63.1	NM	NM
Insurance Underwriter median for earnings season ended 12/31/08									-77.8			
FOR FISCAL YEAR ENDED 12/31/08												
Am Independence	AMIC (LH)	Y	3.09	-2.22	965	0.11	NA	0.13	-15.4	46.8	28.1	28.1
Hilltop Hldgs	HTH (PC)	Y	11.54	0.17	-22,585	-0.58	NA	5.02	NM	102.7	NM	NM
Natl Western Life	NWLI (LH)	Y	105.70	-0.94	33,642	9.22	NA	23.30	-60.4	38.9	11.5	11.5
Pru Annuities Li	(LH)	Y	NA	NA	19,958	NA	NA	NA	NA	NA	NA	NA
Pruco Life Ins Co	(LH)	Y	NA	NA	249,325	NA	NA	NA	NA	NA	NA	NA
WellCare Health	WCG (MC)	Y	10.15	12.90	-36,833	-0.89	0.91	5.16	NM	63.1	NM	NM
Insurance Underwriter median for earnings season ended 12/31/08									-63.5			

Earnings Announcements - Reported in Canadian Dollars

NONE

Earnings Releases and Conference Calls

For the period 03/19/09 to 03/20/09

Company (Ticker)	Sector	Release Date	Release Time	Call Date/ Time (ET)	Phone	Call Code Webcast Code
CONFIRMED						
Prudential Plc (PRU)	LH	03/19/09	-	03/19/09 05:30 AM	-	-
Click here for conference call Web site						
RAM Holdings Ltd. (RAMR)	FG	03/20/09	B	03/20/09 08:30 AM	(888) 318-7449	-
Click here for conference call Web site						
Release Time:	B Before Market	D During Market	A After Market			
Sector Codes	LH Life & Health	FG Financial Guaranty				

To report your earnings release or conference call information, please contact Will Retzer at (434) 951-7746, or e-mail wretzer@snl.com.

Company Meetings

NONE

Dividend Announcements - Reported in U.S. Dollars

NONE

Dividend Announcements - Reported in Canadian Dollars

NONE

Analyst Coverage

Coverage Initiated

State Auto Financial Corp.

Close: \$17.95 +0.53 (+3.0%)

STFC

Vol: 96,287 (125% of Avg.)

Sandler O'Neill & Partners LP analyst Paul Newsome initiated coverage of State Auto Financial Corp. with a rating of "hold," and a price target of \$18.

The analyst wrote in a research report: "State Auto is a Columbus, OH-based regional property-casualty insurer operating in 33 states. Our ... rating and the current valuation reflect the cross-currents of positive and negative forces affecting State Auto Financial's earnings prospects. The firm's relatively conservative investment portfolio (75% of which is invested in municipal bonds) should shield it

from much of the turmoil in the financial markets and its continued productive relationship with its mutual parent should generate opportunities for the public company to participate in the M&A and new business opportunities created by its parent. Nevertheless, State Auto's core businesses of personal lines and small commercial insurance remain very competitive. Further, we are concerned that State Auto's recent string of weather-related catastrophe losses represents a trend of heavier weather exposure and more volatile earnings."

[Full filing](#)

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If you are an equity research analyst covering financial institutions and would like your research included in this coverage, e-mail analystcoverage@snl.com to submit your request and please include research@snl.com to your external distribution list.

First Call Mean Estimate Changes

Company (ST)	Ticker (Type)	Currency	Period	Year-Ago First Call Mean EPS Est. (\$)	First Call Mean EPS Est.			# of Ests.	Price/Est. EPS (x)
					From	To	%Δ		
↓ Assured Guaranty	AGO (I)	\$	2009Y	3.47	2.00	1.94	-3.00	6	2.81
↓ Assured Guaranty	AGO (I)	\$	2010Y	3.90	2.88	2.86	-0.69	4	1.91
↓ Brown & Brown (FL)	BRO (B)	\$	2010Y	1.48	1.34	1.33	-0.75	13	12.83
↑ Delphi Finl Group (DE)	DFG (I)	\$	2009Y	3.90	2.99	3.00	0.33	7	4.34
↓ Delphi Finl Group (DE)	DFG (I)	\$	2010Y	NA	3.62	3.60	-0.55	6	3.61
↓ MetLife Inc (NY)	MET (I)	\$	2009Y	6.86	3.63	3.55	-2.20	19	5.97
↓ MetLife Inc (NY)	MET (I)	\$	2010Y	7.81	4.50	4.47	-0.67	16	4.74
↑ PMI Group Inc (CA)	PMI (I)	\$	2009Y	0.95	-4.70	-4.62	1.70	6	NA
ⓘ PMI Group Inc (CA)	PMI (I)	\$	2010Y	2.95	0.48	0.67	39.58	2	0.81
↓ Sun Life Finl	SLF (I)	C\$	2009Y	4.77	2.90	2.85	-1.72	12	7.99
↓ Sun Life Finl	SLF (I)	C\$	2010Y	NA	3.45	3.36	-2.61	9	6.78
↑ WellCare Health (FL)	WCG (I)	\$	2009Y	5.38	2.37	2.40	1.27	9	3.75
↓ WellCare Health (FL)	WCG (I)	\$	2010Y	5.41	2.63	2.50	-4.94	8	3.60

Revision Key

↑ Below 5% increase ↓ Below 5% decrease ⓘ 5% or more increase Ⓣ 5% or more decrease

First Call Mean Recommendation Changes

Company (ST)	Ticker (Type)	First Call Mean Recommendation		# of Ests.
		From	To	
↑ CNA Financial Corp (IL)	CNA (I)	3.0	3.2	5
↓ Infinity Ppty Cas (AL)	IPCC (I)	3.2	3.0	6
↓ Mercury General (CA)	MCY (I)	3.7	3.5	6
↑ Natl Interstate (OH)	NATL (I)	2.3	2.5	4
↑ OneBeacon Ins Grp	OB (I)	3.0	3.1	7
↓ Selective Ins Grp (NJ)	SIGI (I)	3.1	3.0	8
↓ UnitedHealth Group (MN)	UNH (I)	2.3	2.2	17

Recommendation Key Strong Buy = 1 ... Sell = 5

Note: SNL standardizes recommendation scales into a five-point range whereby one (1) represents the strongest possible recommendation and five (5) the weakest.

First Call Mean Price Target Changes

Company (ST)	Ticker (Type)	Currency	First Call Mean Price Target			# of Ests.
			From	To	%Δ	
↓ACE Ltd	ACE (I)	\$	60.70	60.23	-0.77	15
↓Allstate Corp (IL)	ALL (I)	\$	30.21	29.93	-0.93	14
ⓀAmerican Finl Grp (OH)	AFG (I)	\$	25.50	23.50	-7.84	2
↓Arch Cap Grp Ltd	ACGL (I)	\$	76.51	75.74	-1.01	13
ⓀAssured Guaranty	AGO (I)	\$	16.70	15.70	-5.99	5
↓Axis Cap Hldgs Ltd	AXS (I)	\$	33.48	32.78	-2.09	10
ⓀBerkshire Hathaway (NE)	BRK.A (I)	\$	97,500.00	92,500.00	-5.13	2
↓Brown & Brown (FL)	BRO (B)	\$	20.67	20.22	-2.18	9
↓Chubb Corp (NJ)	CB (I)	\$	51.94	51.75	-0.37	16
↓Delphi Finl Group (DE)	DFG (I)	\$	21.33	20.43	-4.22	7
↓Endurance Spclty	ENH (I)	\$	35.25	34.00	-3.55	4
↓Hartford Finl Svcs (CT)	HIG (I)	\$	18.11	17.54	-3.15	14
↓Infinity Ppty Cas (AL)	IPCC (I)	\$	44.33	43.67	-1.49	3
↓IPC Holdings Ltd	IPCR (I)	\$	32.30	31.80	-1.55	6
↓Markel Corp (VA)	MKL (I)	\$	292.43	288.86	-1.22	7
ⓀMercury General (CA)	MCY (I)	\$	35.67	33.33	-6.56	3
ⓀOneBeacon Ins Grp	OB (I)	\$	11.83	11.17	-5.58	3
↓PartnerRe Ltd	PRE (I)	\$	80.25	79.96	-0.36	14
↓Platinum Underwrit	PTP (I)	\$	36.33	36.17	-0.44	6
ⓀPMI Group Inc (CA)	PMI (I)	\$	4.50	2.50	-44.44	3
↓Selective Ins Grp (NJ)	SIGI (I)	\$	17.00	16.50	-2.94	4
↓Travelers (MN)	TRV (I)	\$	50.73	50.67	-0.12	15
↑UnitedHealth Group (MN)	UNH (I)	\$	31.48	31.71	0.73	13
↑Validus Hldgs	VR (I)	\$	27.83	28.17	1.22	6
↓WR Berkley Corp (CT)	WRB (I)	\$	30.22	30.00	-0.73	9
↓XL Capital Ltd	XL (I)	\$	9.45	9.27	-1.90	11

Revision Key

↑ Below 5% increase
 ↓ Below 5% decrease
 Ⓚ 5% or more increase
 Ⓚ 5% or more decrease

Click any company's hyperlinked estimates to view comprehensive analyst coverage on SNL, including detailed analyst estimates, research reports and related news articles. First Call consensus data current as of 03/17/09.

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Registration Statements

American International Group Inc.

Close: \$1.38 +0.42 (+43.8%)
 Vol: 583,741,061 (822% of Avg.)
Filed: 03/18/09 **Form: S-4**

Registrant filed a registration statement in connection with its offer to exchange up to \$3.25 billion of unregistered 8.250% notes due 2018, for \$3.25 billion of outstanding 8.250% notes due 2018.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09 **Form: S-3/A**

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$50 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09 **Form: S-3/A**

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$50 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

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[Click here to view the full filing](#)

Registration Statements *continued*

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09
Form: S-3/A

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$50 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

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Form: S-3/A

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[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09
Form: S-3/A

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$250 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09
Form: S-3/A

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$250 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09
Form: S-3/A

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$50 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Prudential Annuities Life Assurance Corp.

Filed: 03/18/09
Form: S-3/A

Registrant filed amendment No. 1 to its registration statement to file additional information in connection with its offering for up to \$25 million of market-value adjustment annuity contracts.

[Click here to view the full filing](#)

Beneficial Ownership Filings (13D)

NONE

Institutional Ownership Filings (13G)

NONE

Insider Trades (Form 4)

Company (Ticker) Name	Sector Title	Shares Traded	Direct/ Indirect, Traded on		Traded at or between (\$)	Holdings
			Options	or between		
COMPLETED BUYS						
Alleghany Corp. (Y)	PC					
Lavin, William K.	Director	1,961	D, O	03/16/09	156.89	4,052
Aon Corp. (AOC)	IB					
Besio, Gregory J.	EVP/CAO	408	D, O	03/13/09	NA	2,000
Dail, Baljit	ACW - CEO	2,635	D, O	03/13/09-03/15/09	NA	17,373
Hayley, Kathryn J.	ACW - Chief Executive Officer	3,572	D, O	03/13/09-03/15/09	NA	2,864
Marsh & McLennan Cos. (MMC)	IB					
Beshar, Peter J.	EVP and General Counsel	14,700	D, O	03/15/09	NA	60,002
Burns, M. Michele	Chairman & CEO, Mercer	34,300	D, O	03/15/09	NA	38,086
Gilbert, E. Scott	SVP & Chief Compliance Officer	6,860	D, O	03/15/09	NA	14,045
Rappport, Robert J.	SVP and Controller	1,776	D, O	03/15/09	NA	36,502
Zaffino, Peter	President & CEO, Guy Carpenter	183	D, O	03/15/09	NA	7,310
MBIA Inc. (MBI)	FG					
Warburg Pincus & Co.	Other	1,407,855	I	03/12/09	3.59	71,486,898
Molina Healthcare Inc. (MOH)	MC					
Dentino, William	Other	233,779	D	03/16/09	NA	2,427,872
Platinum Underwriters Hldgs (PTP)	PC					
Kurtzman, Kenneth A.	EVP & Chief Risk Officer	2,282	D, O	03/13/09	NA	18,225
PMA Capital Corp. (PMACA)	PC					
Donnelly, Vincent T.	President & CEO	71,548	D	03/13/09	NA	155,030
Hitselberger, William E.	Executive VP, CFO & Treasurer	28,645	D	03/13/09	NA	57,690
Santulli, John III	EVP - PMA Ins. Group	16,176	D	03/13/09	NA	22,583

Insider Trades (Form 4) *continued*

Company (Ticker) Name	Sector Title	Shares Traded	Direct/ Indirect, Traded on Options or between	Traded at or between (\$)	Holdings
COMPLETED BUYS <i>continued</i>					
Protective Life Corp. (PL) LH					
French, James S. M.	Director	1,167	I 03/16/09	4.29	25,164
Mccrary, Charles D.	Director	1,167	I 03/16/09	4.29	9,069
Mcmahon, John J. Jr.	Director	1,359	I 03/16/09	4.29	35,180
Portera, Malcolm	Director	1,167	I 03/16/09	4.29	15,215
Terry, William A.	Director	1,167	I 03/16/09	4.29	12,513
Warren, William Michael Jr.	Director	1,167	I 03/16/09	4.29	17,607
United Fire & Casualty Co. (UFCS) PC					
Ernst, Barrie W.	VP/Chief Investment Officer	1,201	I 03/12/09	5.29	15,723
Hutchins, Kent J.	VP/COO - United Life Ins. Co.	234	I 03/12/09	5.29	400
White Mountains Insurance (WTM) PC					
Barrette, Raymond	Chief Executive Officer; Director	500	I 03/16/09	170.00	585
COMPLETED SALES					
Alleghany Corp. (Y) PC					
Lavin, William K.	Director	1,961	D 03/16/09	281.20	2,091
American International Group (AIG) M					
Starr International Co., Inc.	Other	1,278,000	D 03/16/09	0.80	190,182,191
Aon Corp. (AOC) IB					
Besio, Gregory J.	EVP/CAO	121	D, O 03/13/09	38.93	1,879
Dail, Baljit	ACW - CEO	1,222	D, O 03/13/09-03/15/09	38.93	16,831
Hayley, Kathryn J.	ACW - Chief Executive Officer	1,052	D, O 03/13/09-03/15/09	38.93	2,520
Assurant Inc. (AIZ) M					
Camacho, Philip Bruce	Exec. VP; CFO	2,333	D 03/15/09	NA	31,578
Hamm, Donald G. Jr.	Exec. VP, Pres. and CEO	285	D, O 03/13/09	20.46	46,096
Lemasters, S. Craig	Exec. VP	278	D, O 03/13/09	20.46	36,954
Mergelmeyer, Gene	Executive Vice President	470	D, O 03/13/09-03/15/09	20.46	37,563
Pagano, Christopher J.	EVP & Treasurer	188	D, O 03/13/09	20.46	34,184
Peninger, Michael J.	EVP, CFO	290	D, O 03/13/09	20.46	63,050
Pollock, Robert B.	President, CEO, Director	1,558	D, O 03/13/09	20.46	192,725
Roberts, John S.	EVP	121	D, O 03/13/09	20.46	35,369
Silvester, Lesley G.	Executive Vice President	324	D, O 03/13/09	20.46	135,172
Sondej, John Andrew	SVP, Controller (PAO)	77	D, O 03/13/09	20.46	9,034
Marsh & McLennan Cos. (MMC) IB					
Beshar, Peter J.	EVP and General Counsel	6,440	D, O 03/15/09	18.65	53,562
Burns, M. Michele	Chairman & CEO, Mercer	14,561	D, O 03/15/09	18.65	23,525
Gilbert, E. Scott	SVP & Chief Compliance Officer	2,595	D, O 03/15/09	18.65	11,450
Rapport, Robert J.	SVP and Controller	647	D, O 03/15/09	18.65	35,855
Zaffino, Peter	President & CEO, Guy Carpenter	77	D, O 03/15/09	18.65	7,233
Molina Healthcare Inc. (MOH) MC					
Molina, John C.	CFO/Trustee; Director	2,761	I 03/16/09	20.44	2,468,835
Szabo, John P. Jr.	Director	2,500	D 03/13/09	20.07	11,250
Platinum Underwriters Hldgs (PTP) PC					
Kurtzman, Kenneth A.	EVP & Chief Risk Officer	816	D, O 03/13/09	27.31	17,409
PMA Capital Corp. (PMACA) PC					
Donnelly, Vincent T.	President & CEO	21,901	D, O 03/13/09	4.02	133,129
Hitselberger, William E.	Executive VP, CFO & Treasurer	9,894	D, O 03/13/09	4.02	47,796
Santulli, John III	EVP - PMA Ins. Group	4,946	D, O 03/13/09	4.02	17,637
Universal American Corp (UAM) MC					
Lee, Eric J.	Other	2,736	D 03/13/09	7.71	321
Validus Holdings Ltd (VR) PC					
Ward, Conan M.	Chief Underwriting Officer	7,500	D 03/16/09-03/17/09	24.95-25.01	200,848

Shares Traded and Holdings represent (D)irect, (I)ndirect or (C)ombined activity, as indicated for that trade. An 'O' is shown if the trade is an exercise of options.

Source: FactSet Research Systems Inc.

Note: Includes changes in beneficial ownership.

Current Event Reports (Forms 8-K and 8-A)

AssuranceAmerica Corp.
Close: \$0.30 +0.15 (+100.0%)
Filed: 03/18/09

On March 16, registrant announced that its subsidiary, AssuranceAmerica Insurance Co., purchased 5,000 shares of floating-rate capital securities issued by AssuranceAmerica Capital Trust I on Dec. 22, 2005.

[Click here to view the full filing](#)

Baldwin & Lyons Inc.
Close: \$19.25 +0.81 (+4.4%)
Filed: 03/17/09

On March 16, registrant announced that it filed a Form 12b-25 to report a brief delay in the filing of its Form 10-K for the year ended Dec. 31, 2008.

[Click here to view the full filing](#)

Enstar Group Ltd.
Close: \$58.39 +3.56 (+6.5%)
Filed: 03/18/09

Registrant amended its Form 8-K to file financial information, including pro formas, in connection with its acquisition of Unionamerica Holdings Ltd.

[Click here to view the full filing](#)

LandAmerica Financial Group Inc.
Close: \$0.04 +0.00 (+6.7%)
Filed: 03/18/09

Registrant reported that it provided an updated notice, dated March 13, to its executive vice president and CFO, G. William Evans, of the anticipated termination of Evans' employment with the registrant on July 1.

[Click here to view the full filing](#)

MetLife Inc.
Close: \$25.56 +4.37 (+20.6%)
Filed: 03/18/09

Registrant announced that on March 18 it made a presentation at a conference sponsored by JPMorgan Chase & Co. The presentation was included by exhibit.

[Click here to view the full filing](#)

ASAM
Vol: 100 (4% of Avg.)
Form: 8-K

PMA Capital Corp.
Close: \$4.49 +0.28 (+6.7%)
Filed: 03/18/09

Registrant reported that on March 13 it entered into amended and restated employment agreements with Vincent Donnelly and William Hitselberger. The amended and restated employment agreements of Donnelly and Hitselberger were included by exhibit.

[Click here to view the full filing](#)

PMI Group Inc.
Close: \$0.61 +0.07 (+13.0%)
Filed: 03/18/09

Registrant reported that on March 16 Mariann Byerwalter notified the registrant of her resignation from its board of directors.

[Click here to view the full filing](#)

Triple-S Management Corp.
Close: \$12.94 -0.05 (-0.4%)
Filed: 03/18/09

Registrant amended its Form 8-K to file the letter of concurrence from KPMG LLP, among others.

[Click here to view the full filing](#)

Universal American Corp.
Close: \$8.66 +0.57 (+7.0%)
Filed: 03/18/09

Registrant reported that on March 16 Jay Yang resigned from its board of directors. Registrant reported the designation of Richard Perry to its board of directors.

[Click here to view the full filing](#)

PMACA
Vol: 89,958 (69% of Avg.)
Form: 8-K

PMI
Vol: 3,467,198 (136% of Avg.)
Form: 8-K

GTS
Vol: 127,203 (95% of Avg.)
Form: 8-K/A

UAM
Vol: 332,080 (64% of Avg.)
Form: 8-K

Industry Conferences

For the period 03/19/09 to 04/18/09

Name	Dates	Location	Phone
Cowen & Co. 29th Annual Health Care Conference Click here for conference details	03/16/09-03/19/09	Boston, MA	(646) 562-1000
SIFMA's Insurance & Risk Linked Securities Conference Click here for conference details	03/19/09	New York, NY	(212) 313-1118
Sidoti & Co. 13th Annual Emerging Growth Institutional Investor Forum Click here for conference details	03/24/09-03/25/09	New York, NY	(212) 297-0001
NAMIC CEO Roundtables Click here for conference details	03/29/09-03/31/09	San Antonio, TX	(317) 875-5250
LOMA's 2009 Life Insurance Conference Click here for conference details	03/30/09-04/01/09	Lake Buena Vista, FL	(770) 984-6446

Industry Conferences *continued*

For the period 03/19/09 to 04/18/09

Name	Dates	Location	Phone
SOA Investment Symposium Click here for conference details	03/30/09-03/31/09	New York, NY	(847) 706-3544
Morgan Stanley European Banks & Financials Conference	03/31/09-04/02/09	London, United Kingdom	44 20 7425 8000
National Bank of Canada's Canadian Financial Services Conference	03/31/09	Montreal, Canada	(514) 394-5000
Raymond James, Foley & Lardner LLP Insurance Economic Summit Click here for conference details	04/01/09	Chicago, IL	(414) 297-5320
Tiburon CEO Summit XVI Click here for conference details	04/09/09-04/10/09	New York, NY	(415) 789-2540

To submit additions or corrections regarding industry conferences, please contact Dottie Risdon at (434) 951-7477, or e-mail drisdon@snl.com.

Financial Strength Ratings

Parent Name (Ticker) Company Name	Rating Agency	Date of Revision	Action	From	To
RATINGS					
Manulife Financial Corp. (MFC) Manufacturers Life Ins Co.	Moody's	03/18/09	Downgrade	Aa1	Aa3
New York Life Insurance Group New York Life Insurance Co.	Moody's	03/17/09	Affirm	Aaa	Aaa
Principal Financial Group Inc. (PFG) Principal Life Insurance Co.	Moody's	03/18/09	Downgrade	Aa2	Aa3
Parent Name (Ticker) Company Name	Rating Agency	Date of Outlook/Watch	Direction	Rating	
OUTLOOKS/WATCHES					
New York Life Insurance Group New York Life Insurance Co.	Moody's	03/17/09	Outlook Negative	Aaa	

Stock Highlights

Wednesday

Company (Ticker)	Sector	Close	Volume	Price % Chng
RANKED BY PRICE GAIN				
Aflac Inc (AFL)	LH	21.04	22,183,542	30.3
XL Capital Ltd (XL)	PC	5.12	19,101,934	24.3
Hartford Finl Svcs (HIG)	M	8.86	51,477,310	24.3
MetLife Inc (MET)	LH	25.56	31,192,808	20.6
Prudential Fin Inc (PRU)	LH	24.92	21,556,853	19.0

RANKED BY PRICE LOSS

FBL Finl Grp Inc (FFG)	LH	3.93	357,844	-10.9
Homeowners Choice (HCII)	PC	5.00	2,010	-6.5
Amer Physician Svc (AMPH)	PC	18.48	58,366	-6.3
Indepdce Hldg Co (IHC)	LH	4.80	17,989	-3.6
Argo Group Intl (AGII)	PC	26.84	502,164	-3.3

Company (Ticker)	Sector	Price % Chng	Volume	Volume as % of Avg (1 Year)
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VOLUME HIGHLIGHTS

Unico Amer Corp (UNAM)	PC	-0.7	13,567	575.6
Lincoln Natl Corp (LNC)	LH	16.0	20,927,195	466.0
Hartford Finl Svcs (HIG)	M	24.3	51,477,310	432.6
Natl Western Life (NWLI)	LH	-0.9	16,177	398.4
Principal Finl Grp (PFG)	LH	9.3	14,205,861	382.7

Note: Institutions ranked in the above tables must be traded on a major exchange, have a closing price greater than \$3, and daily volume greater than 1,000 shares. Canadian insurance companies trading on the U.S. stock exchanges are included in the rankings.

Past Week

Company (Ticker)	Sector	Close	Volume	Price % Chng
RANKED BY PRICE GAIN				
Prudential Fin Inc (PRU)	LH	24.92	95,303,099	76.0
Assured Guaranty (AGO)	FG	6.29	7,463,241	71.9
Natl Western Life (NWLI)	LH	105.70	53,704	67.9
MetLife Inc (MET)	LH	25.56	123,874,891	67.4
Hartford Finl Svcs (HIG)	M	8.86	199,278,772	63.5

RANKED BY PRICE LOSS

Homeowners Choice (HCII)	PC	5.00	55,058	-9.3
Univsl Ins Hldgs (UVE)	PC	3.40	412,520	-5.6
Amer Physician Svc (AMPH)	PC	18.48	141,531	-5.1
Mercer Ins Grp (MIGP)	PC	12.34	21,464	-0.6
Berkshire Hathaway (BRK.A)	PC	83,350.00	5,945	-0.4

Company (Ticker)	Sector	Price % Chng	Volume	Volume as % of Avg (1 Year)
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VOLUME HIGHLIGHTS

Hartford Finl Svcs (HIG)	M	63.5	199,278,772	335.0
eHealth (EHTH)	IB	21.0	4,582,479	323.4
Lincoln Natl Corp (LNC)	LH	31.4	71,024,187	316.3
Hanover Insurance (THG)	PC	6.7	7,222,081	304.7
Principal Finl Grp (PFG)	LH	18.2	53,341,343	287.4

Note: Institutions ranked in the above tables must be traded on a major exchange, have a closing price greater than \$3, and daily volume greater than 1,000 shares. Canadian insurance companies trading on the U.S. stock exchanges are included in the rankings.

Total Return Index Values

	Value	Percentage Change			
		1 Day	1 Week	YTD	52 Week
Insurance Brokers	695.0	3.19	10.86	-14.13	-12.20
Insurance Companies	299.7	5.83	18.03	-19.91	-48.58
Multiline	81.0	20.08	66.87	-26.71	-82.34
Managed Care	469.7	2.93	16.19	-13.83	-37.57
Life & Health	325.4	17.57	49.79	-36.25	-63.39

	Value	Percentage Change			
		1 Day	1 Week	YTD	52 Week
Property & Casualty	348.8	3.38	10.86	-16.44	-27.83
Reinsurance	383.9	3.22	6.23	-14.12	-58.29
Mortgage & Financial Guaranty	28.2	15.70	44.79	-25.69	-73.44
Title	913.3	8.03	22.96	-1.50	-13.02

Note: SNL total return indexes are market weighted and include dividends, which are assumed to be reinvested on the ex-date.

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