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ACR News

ACR's capital strength unimpaired by Thailand flood losses

Singapore, December 8, 2011 – Asia Capital Reinsurance Group (ACR) expects its losses from the 2011 flooding in Thailand to be about US\$55 million, net of reinsurance and reinstatement premiums, and before tax. The estimated losses are within ACR's risk tolerance, and do not impair the strength of its balance sheet. The estimates are based on a market share of about 1% and are derived from information obtained from clients and brokers, a review of the terms of in-force contracts and a review of outward reinsurance agreements. ACR has in place both proportional and non-proportional reinsurance cover to lessen the financial impact of this loss.

John Tan, ACR's Chief Executive Officer, commented, "We are saddened by the extent of damage and suffering that the floods in Southeast Asia have caused. The floods are Thailand's worst natural disaster on record in 50 years, and have claimed the lives of at least 675 people while displacing millions of others. This is one of Asia's costliest insured flood losses, causing severe damage and disruption to manufacturing operations in the country."

ACR currently estimates the total insured market loss from the floods to be about US\$10 billion. Actual ultimate losses may vary materially from current estimates due to inherent uncertainties resulting from the preliminary nature of loss data available, potential inaccuracies and inadequacies in the data that have been provided, and other factors.

As a reinsurance provider for Asia, ACR expects to have losses from these events. ACR's loss estimates are within its risk tolerance and it retains a very strong capital base of US\$708 million at its holding company, as at 30 September 2011.

The region had already seen an unprecedented level of catastrophic loss over the first half of 2011, with flooding in Australia, earthquakes in New Zealand and the Japan earthquake and tsunami. ACR's last financial year 2010/11, which closed on 31 March 2011, recorded a net profit of US\$26 million; and its half-year net profit for financial year 2011/12 is US\$20 million. The results have taken into account the series of losses in Australia, New Zealand, and the Japan earthquake and tsunami.

Mr Tan added, "ACR and our shareholders remain committed to supporting our clients throughout Asia. We will strengthen ACR's capital base to meet increasing reinsurance demand in the region."

ACR remains firmly in Asia. For Asia and it continues to provide capacity and services to the markets across Asia. For details of ACR's financial information, please visit the [Financial Highlights](#) and [Annual Reports](#) sections on its website.

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In Asia. For Asia.