



# NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON  
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

## FOR IMMEDIATE RELEASE

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## A.M. Best Affirms Ratings of Zenith National Insurance Corp. and Its Subsidiaries

**OLDWICK, N.J., Apr. 10, 2009**—A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and issuer credit ratings (ICR) of “a” of **Zenith National Insurance Group** and its members, **Zenith Insurance Company** (Zenith) and **ZNAT Insurance Company** (ZNAT), a wholly owned subsidiary of Zenith. Concurrently, A.M. Best has affirmed the ICR of “bbb” of the group’s parent, **Zenith National Insurance Corp.** (Zenith National) (Wilmington, DE) [NYSE: ZNT].

A.M. Best also has affirmed the debt rating of “bb+” on \$58.36 million 8.55% capital securities, due 2028 of **Zenith National Insurance Capital Trust I**. All companies are domiciled in Woodland Hills, CA, except where specified. The outlook for all ratings is stable.

The ratings reflect Zenith’s superior capitalization, strong operating performance despite competitive market conditions and commitment to maintain underwriting discipline through market cycles. Zenith has demonstrated a significant loss ratio advantage within the workers’ compensation line over the long term, reflective of management’s established commitment to adequate risk pricing across market cycles. The group also benefits from the financial flexibility of Zenith National, which provides the group access to capital as needed.

Partially offsetting these positive rating factors is the reduction in operating profitability, reflective of the competitive market conditions existing in California, as well as the state

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mandated rate reductions occurring in Florida in recent years. Additionally, the concentration of written premiums within these two states potentially exposes Zenith to changes within both the regulatory and competitive market environment. Despite these concerns, the outlook reflects the historically strong underwriting performance and demonstrated experience in underwriting the workers' compensation line over the long term.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit [www.ambest.com/ratings](http://www.ambest.com/ratings).

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

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