

Research

Odyssey Re Group

Primary Credit Analyst:

John Iten, New York (1) 212-438-1757; john.iten@standardandpoors.com

Secondary Contact:

Hardeep S Manku, Toronto 416-507-2547; hardeep.manku@standardandpoors.com

Table Of Contents

Rationale

Outlook

Base-Case Scenario

Company Description

Business Risk Profile

Financial Risk Profile

Other Assessments

Support

Accounting Considerations

Related Criteria And Research

Odyssey Re Group

Rationale

The insurer financial strength rating on certain of Odyssey Re Holdings Corp.'s (Odyssey Re) operating reinsurance and insurance subsidiaries (see ratings detail below) is based on their status under our group methodology criteria as core entities to the Fairfax Group, whose ultimate holding company is Fairfax Financial Holdings Ltd. (FFH or Fairfax). As the subsidiaries are core entities, the ratings on Odyssey Re are equivalent to the group credit profile on the Fairfax Group and therefore, much of our analysis is from a Fairfax Group perspective rather than Odyssey Re specific. (For additional information on

Holding Company:
Fairfax Financial Holdings Ltd.

Counterparty Credit Rating
BBB-/Stable/--

Operating Companies Covered By This Report

Financial Strength Rating
Local Currency
A-/Stable/--

FFH, please refer to our report published April 16, 2014, on RatingsDirect.)

Business Risk Profile

- Strong competitive position in the North American specialty commercial lines and global property/casualty (P/C) reinsurance markets.
- Operating performance has been volatile due to the inclusion in earnings of net gains/(losses) on investments including total return swaps.
- Underwriting performance in the U.S. and Canadian insurance segments has lagged peers historically, though this has diminished recently due to increased focus on the underwriting discipline. Odyssey's underwriting performance has been in line with that of its global peers, with a strong focus on underwriting discipline through the cycle.
- Intermediate industry and country risk stemming from Fairfax's global P/C reinsurance operations and P/C insurance operations in the U.S. and Canada.

Financial Risk Profile

- Capital adequacy, according to our capital model, is at the 'AA' redundancy level.
- Moderate risk position with relatively high tolerance for investment risk and exposures to natural and manmade catastrophe risk that could leave the group susceptible to capital and earnings volatility.
- Financial flexibility viewed as adequate. The company's total return investment strategy has depressed net investment income, reducing fixed-charge coverage, but this is mitigated by the high level of cash and liquid investments held by the holding company.

Other Factors

- The ratings reflect Odyssey Re's status as a core entity for Fairfax group; hence, the ratings are equalized to the group credit profile of FFH.
- Adherence to parent's investment strategy, which puts significant dependence on generating capital gains from its investment portfolio.

Outlook

As Odyssey Re is a core entity of FFH, the ratings and the outlook on the company reflect those on its parent group.

The outlook on FFH is stable. Standard & Poor's Ratings Services believes that FFH's fixed-charge coverage will improve gradually along with anticipated improvement in group underwriting results. The company's pure total return investment strategy will continue to add significant volatility to operating performance.

Downside scenario

We could lower the ratings if, contrary to our expectations, Fairfax's capital adequacy decreases and remains consistently below the 'AA' rating level, if its competitive position deteriorates, or if its liquidity profile is significantly reduced.

Upside scenario

We could raise the ratings if Fairfax's underwriting performance shows sustained improvement, leading to stronger operating performance and fixed-charge coverage measures.

Base-Case Scenario

Macroeconomic Assumptions

- Our economists predict real GDP growth of about 2.3% in 2014. Although we believe GDP levels will remain sluggish, we consider demand for P/C insurance products as relatively inelastic.
- In mid-December, the Federal Reserve announced a reduction in its asset buying, and we expect asset purchases to end in the third quarter of 2014. Accordingly, we expect the 10-year treasury rate to remain low but to steepen to 2.7% in 2014 from 2.4% in 2013, though it will likely remain below historical levels, reducing investment income prospects.
- Core CPI forecast for 2014 is 1.9%, which remains low and should alleviate concerns about inflation.
- The U.S. industry economic outlook for P/C insurers is neutral, based upon our base-case macroeconomic assumptions.

Company-Specific Assumptions

- Capital adequacy to remain very strong.
- We expect gross premiums written (GPW) in 2014 to increase by about 5% and the group to exhibit discipline through the underwriting cycle. For Odyssey Re, we expect GPW in 2014 to decline slightly and for 2015 to remain flat or increase marginally.
- A combined ratio on an International Financial Reporting Standards (IFRS) basis between 95% and 97%. We expect catastrophe losses to contribute around eight percentage points on average to the loss ratio. For Odyssey Re, we expect a combined ratio between 93% and 96% assuming normalized catastrophe losses. We expect catastrophe losses to contribute around 12 percentage points on average to the Odyssey Re loss ratio.
- Investment performance, as measured by total return, to remain depressed due to the company's strategy of fully hedging its long equity exposure against a downturn in the equity markets (Standard & Poor's expects the S&P 500 index to continue to rise modestly in 2014 and 2015) and low interest and dividend income due to the company's large holdings of low-yielding cash and short-term investments and payments required under its derivative contracts.
- Moderate financial leverage for FFH to remain between 30%-35% and fixed-charge coverage (excluding net realized capital gains/losses) about 2x.

Key Metrics

Table 1

Odyssey Re Holdings Corp. -- Key Metrics					
	--Year ended Dec. 31--				
	2015*	2014*	2013	2012	2011
Gross premiums written (mil. \$)	>2,700	>2,700	2,716	2,773	2,421
P/C net combined ratio (%)	93-96	93-96	84.2	88.7	116.8

*Forecast data reflect Standard & Poor's base-case assumptions.

Company Description

Odyssey Re is a diversified P/C specialty insurance and reinsurance operation with gross premiums written of \$2.7 billion (split approximately 60% reinsurance and 40% insurance) and with shareholders' equity of \$3.7 billion as of Dec. 31, 2013. The company has a diversified franchise by product, geography, and sector and operates through four divisions (Americas, EuroAsia, London Market, and U.S. Insurance) and under three brands (Odyssey Re in global reinsurance, Newline in global specialty insurance, and Hudson in U.S. specialty insurance). The company is part of the Fairfax group of companies and is its largest and one of its best performing insurance operations.

Business Risk Profile

We view the Fairfax Group's business risk profile as strong, built on its strong competitive position, large geographic presence, and sector diversification.

Insurance industry and country risk

Fairfax faces intermediate industry and country risk driven by low country risk and intermediate industry risks for its nonlife primary insurance and reinsurance operations. We view country risk as relatively low, given Fairfax's globally diversified book of business, mainly in developed countries. We believe that Fairfax's nonlife primary and reinsurance operations are exposed to intermediate industry risks because of the inherent product risk and consequent susceptibility to reserve and property catastrophe volatility. The litigious environment tied to the U.S. book of business also affects claims amounts and payment patterns. However, the stability of the global (re)insurance markets' profitability, market growth prospects, and overall institutional framework offset this weakness.

Competitive position: A diversified reinsurance and insurance platform with global reach

As part of the Fairfax Group, Odyssey Re contributes significantly to the group's strong competitive position in our view, given its sizable geographic footprint and sector diversification. Currently, insurance constitutes about 38% of Odyssey Re Group's gross premiums written and reinsurance accounts for the remaining 62% (compared with a 16%-84% split in 2001). The improved diversification by sector has resulted mainly from growth in specialty insurance writings. Geographically, GWP are well diversified, with about 59% coming from the U.S. and the remainder from the rest of the world. Growth in Europe, Asia, and Latin America and the company's decision to decrease U.S. casualty reinsurance treaty writings have helped geographic diversification, somewhat offset by growth in U.S. specialty insurance.

The company's reinsurance business is more global, with the U.S. accounting for 47% and the rest of the world (Europe, Asia-Pacific, Latin America, Canada, Middle East, and other countries and regions) accounting for the remaining 53%. In contrast, the company's insurance business is still focused on the U.S., which accounted for 79% of total insurance writings in 2013.

The breakdown between short- and long-tail classes has substantially changed since the inception of Odyssey Re, and currently property represents 42% of total writings, casualty 38%, and specialty 20%. The shift by sector, geography, and class has been a strategic move. Odyssey Re reacted to substantial pricing and margin deterioration in the U.S. casualty reinsurance market by shifting its product offerings away from commoditized products and more toward specialty, where margins are higher, underwriting expertise is more recognized, and client relationships are stronger. Odyssey Re distributes its products primarily through the broker channel, but direct relationships are significant as well, particularly in its specialty insurance business.

We expect Odyssey Re to continue to exhibit discipline through the underwriting cycle. We expect GPW in 2014 to remain flat or reduce marginally in part due to pricing pressures in the property-catastrophe reinsurance market and softness in casualty reinsurance, though partially offset by the company's efforts to increase its specialty writings. We expect the premiums to remain flat or to grow marginally in 2015. Underwriting performance was strong in 2013, as the combined ratio improved to 84.2% from 88.7% in 2012, driven by higher favorable development of prior-year reserves and lower catastrophe losses. However, the earnings were negatively affected by the losses from its hedging program.

Table 2

Odyssey Re Holdings Corp. -- Competitive Position					
	--Year ended Dec. 31--				
	2013	2012	2011	2010	2009
Gross premiums written (mil. \$)	2,716	2,773	2,421	2,167	2,195
Change in gross premiums written (%)	(2.08)	14.56	11.69	(1.26)	(4.34)
Net premiums earned (mil. \$)	2,374	2,315	2,015	1,886	1,927
P/C: reinsurance utilization - premiums written (%)	12.47	13.37	13.67	14.47	13.72

Financial Risk Profile

We regard Fairfax's financial risk profile as strong overall, reflecting its very strong capital and earnings, moderate risk position, and adequate financial flexibility.

Capital and earnings: Very strong

We assess Fairfax's capital and earnings as very strong, which we expect to continue in our base-case economic scenario. Its capital adequacy according to our proprietary capital model is currently at the lower end of the 'AA' category. The group's exposure to natural and manmade catastrophes and some uncertainty related to its substantial casualty reserves (both ongoing and runoff) translate into a moderate risk position score, partially offsetting its very strong capital adequacy. Shareholders' equity (including preferred shares) totaled \$8.5 billion as of year-end 2013, down from \$8.9 billion as of year-end 2012 despite the issuance of about \$400 million of new common stock in

November 2013. The decline was driven by realized and unrealized capital losses on equity derivative contracts and bond holdings, partially offset by gains on equities and underwriting profits. We expect Fairfax to maintain its capital adequacy at an 'AA' level.

We believe Odyssey Re's reserving practices are prudent and that its claims reserves are adequate.

Table 3

Odyssey Re Holdings Corp. -- Capitalization Statistics					
	--Year ended Dec. 31--				
	2013	2012	2011	2010	2009
Common shareholders' equity (mil. \$)	3,731	3,679	3,335	3,661	3,478
Change in common shareholders' equity (%)	1.41	10.29	(8.90)	5.26	27.25
Total reported capital	3,995	4,128	3,781	4,156	4,045
Change in total capital (reported) (%)	(3.21)	9.16	(9.02)	2.76	21.94

Table 4

Odyssey Re Holdings Corp. -- Earnings Statistics					
	--Year ended Dec. 31--				
Mil. \$	2013	2012	2011	2010	2009
Total revenue	2,583	2,477	2,293	2,214	2,245
EBIT adjusted	606	424	(121)	295	342
EBITDA adjusted	606	424	(121)	295	342
Net income (attributable to all shareholders)	137	283	(66)	333	373
Return on revenue (%)	23.45	17.13	(5.26)	13.32	15.25
Return on shareholders' equity (reported) (%)	3.70	8.06	(1.88)	9.23	11.70
P/C: net expense ratio (%)	28.98	27.57	26.88	28.71	29.10
P/C: net loss ratio (%)	55.17	61.09	89.96	69.84	67.55
P/C: net combined ratio (%)	84.16	88.66	116.83	98.56	96.66

Odyssey Re's investments are largely directed by Fairfax's unique investment strategy, which has worked against its position in recent years. Fairfax made several billion dollars in 2008 by correctly forecasting a steep decline in the housing market and purchasing credit default swaps that would rise in value under that scenario. However, Fairfax has lost substantially in the past two years on equity and equity index total return swaps purchased to hedge its long equity positions against a decline in equity markets. In 2013, on a consolidated basis, the net losses on investments were \$817 million (on an IFRS basis), the majority of which originated from its equity hedges of (\$768) million, though partially offset by gains on its equity holdings of \$375 million; the opportunity cost has been high.

We believe Odyssey Re's prospective underwriting performance on a calendar year will decline somewhat but underlying performance is expected to hold and we expect strong combined ratios in 2014 and 2015 between 93% and 96%, assuming normalized catastrophe losses of about 12 percentage points. We expect investment returns to remain depressed in 2014, given the group's hedging strategy and our expectation of further improvement in equity markets.

Risk position: Susceptibility to catastrophe risks

In our view, Fairfax's risk position reflects moderate risk. We believe its total return investment strategy increases volatility in earnings, cash flows, and capital. Additional capital and earnings volatility comes from Fairfax's exposure — principally through its Odyssey Re subsidiary -- to natural and manmade catastrophe losses. The group is also susceptible to small-to-moderate unfavorable reserve development in the liability lines.

Odyssey Re's investment portfolio consists of 47% fixed-income securities, 21% short-term investments and cash and cash equivalents, 20% preferred and common equities, and 12% other assets.

Table 5

	Odyssey Re Holdings Corp. -- Risk Position				
	--Year ended Dec. 31--				
	2013	2012	2011	2010	2009
Total invested assets (mil. \$)	8,538	9,013	8,295	8,904	8,727
Net investment income	209	162	284	328	318
Net investment yield (%)	2.39	1.87	3.30	3.72	3.83
Net investment yield including realized capital gains/(losses) (%)	(2.48)	2.62	4.07	5.65	6.06
Portfolio composition (% of general account invested assets)					
Cash and short-term investments (%)	21.43	24.91	29.62	15.04	15.60
Bonds (%)	47.68	49.68	51.90	56.61	56.22
Equity investments (%)	21.03	20.95	15.08	21.39	26.49
Real estate (%)	N/A	N/A	N/A	N/A	N/A
Mortgages (%)	N/A	N/A	N/A	N/A	N/A
Loans (%)	N/A	N/A	N/A	N/A	N/A
Investments in affiliates (%)	N/A	N/A	N/A	N/A	N/A
Investments in partnerships, joint venture and other alternatives investments (%)	7.31	4.27	3.13	N/A	N/A
Other investments (%)	2.55	0.19	0.27	6.96	1.68

N/A--Not applicable.

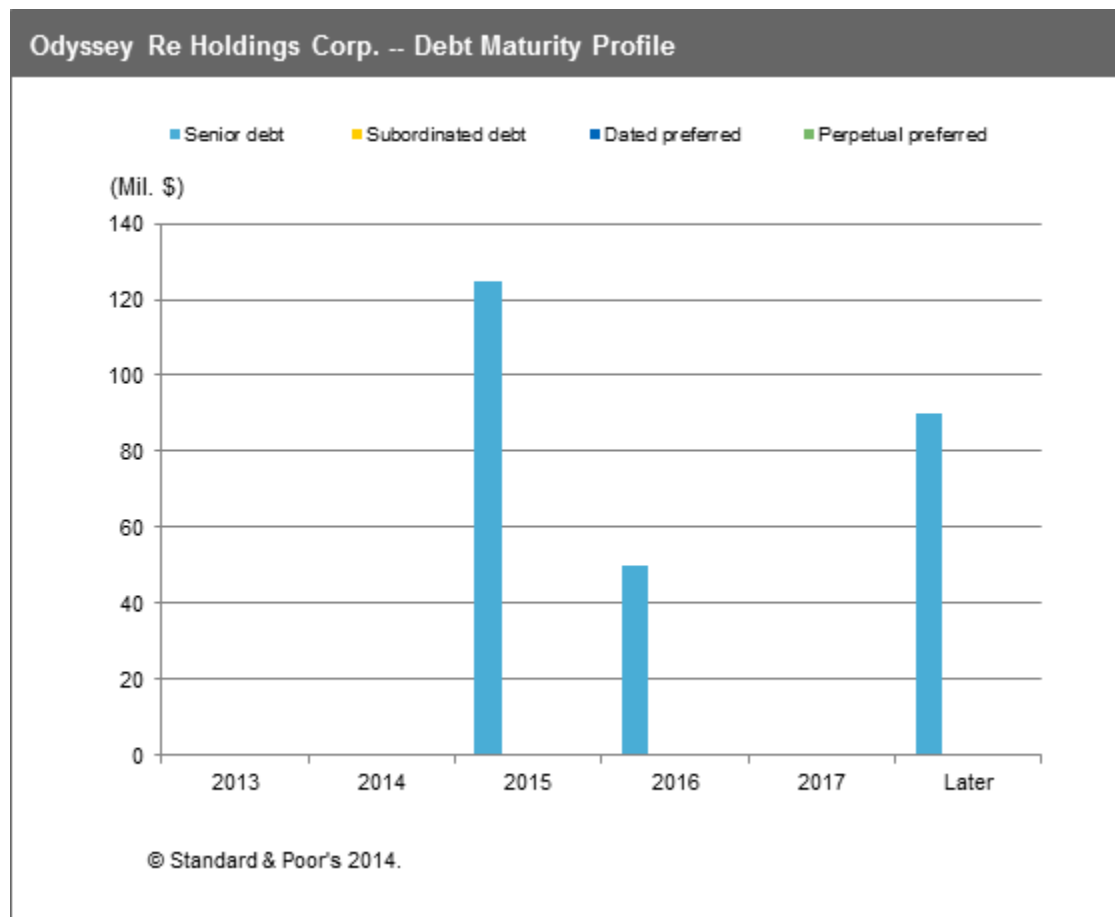
Financial flexibility: Reliant on parent

Fairfax's financial flexibility is adequate, in our opinion. Its financial leverage and fixed charge coverage ratio as of Dec. 31, 2013 were 33.4% and 2.7x, respectively.

Odyssey Re relies on its parent for additional capital including access to capital markets. Fairfax provided additional capital of \$188 million to Odyssey Re to retire maturing debt of a similar amount.

Table 6

	Odyssey Re Holdings Corp. -- Financial Flexibility				
	--Fiscal year ended Dec. 31--				
	2013	2012	2011	2010	2009
EBITDA fixed-charge coverage including realized and unrealized gains/(losses) (x)	5.76	14.08	(1.69)	11.08	11.62
EBITDA fixed-charge coverage (x)	19.86	12.30	(3.50)	7.07	7.58
Financial leverage including pension deficit as debt (%)	8.68	12.41	12.88	11.27	12.86



Other Assessments

We view company's management and corporate strategy and enterprise risk management (ERM) in context of its parent group, which is considered adequate for Fairfax.

Enterprise risk management: Adequate

We view Fairfax's ERM, which we regard as important to the rating, as adequate, reflecting our view of the risk-management culture, investment risk controls, and strategic and emerging risk management of this organization. Specifically, in the case of Odyssey Re, we view the ERM framework and risk controls as more developed. We view property-catastrophe risk controls as well developed with company's risk tolerance well-defined in terms of loss to statutory equity. We recognize the advancements the overall group has made in its ERM framework, governance structures, and the level of sophistication that some of the operating companies have achieved, and we expect Fairfax to continue enhancing its ERM framework.

Management and governance: Strong with disciplined underwriting and a strong balance sheet

Fairfax's management and governance is satisfactory in our opinion. The group bases its strategy on a total return philosophy combining disciplined underwriting with value investing. Management at the holding company and

operating subsidiaries has been very stable. Internal candidates have generally filled occasional changes in senior management. The group is globally focused on property/casualty insurance and reinsurance, and recently considerably enhanced its international presence.

We have not identified any governance deficiencies in our assessment.

Liquidity: Strong

We consider Fairfax's liquidity to be exceptional as a result of maintaining very large holdings of cash and short-term investments at both the operating and holding company levels.

Odyssey Re repaid in full its 2013 senior debt maturity of \$182 million using a capital infusion provided by Fairfax for that purpose and we anticipate no issues for Odyssey Re or Fairfax in their ability to manage the next maturity of its senior debt in 2015 amounting to \$124 million. The debt was issued by Odyssey Re Holdings Inc., an intermediate holding company within the Fairfax group.

Support

Group support

The insurer financial strength ratings on Odyssey Re are based on their core position as wholly owned subsidiaries of Fairfax. As a result we equalize the ratings on Odyssey Re to that on the core entities of Fairfax under our group rating methodology. Odyssey Re is the largest contributor of operating earnings for Fairfax; it constitutes 59% of group operating income, and about 35% of its capital and insurance premiums. We view Odyssey Re as an integral component of Fairfax's strategy to build strong core insurance operations that can support Fairfax's investment strategies. In addition, there is a strong history of support between Fairfax and Odyssey Re: For example, Fairfax recently provided funds to pay off maturing debt and Odyssey Re has provided dividends and intercompany loans to the rest of the group at times. Hence, we consider it highly unlikely for Fairfax to dispose of Odyssey Re.

Accounting Considerations

Odyssey Re has been a private company since 2009. Its U.S. GAAP consolidated financial statements are Standard & Poor's primary source of financial information as well as its statutory filings. In addition, we also rely on Fairfax's financial statements prepared in accordance with IFRS since 2011 (Canadian generally accepted accounting principles [GAAP] prior to that period).

Under both U.S. GAAP and IFRS accounting, the unrealized fluctuations in equity holdings, fixed income, and derivative market prices on the group's income statement and balance sheet introduce some volatility to its consolidated statement of income. Therefore, in our analysis, we split the net investment gains as reported into realized gains/losses and unrealized gains/losses, so those metrics that use net income as reported may understate or overstate the true performance of the company in a specific year due to the benefit or damage that the unrealized loss position adds to reported figures.

Related Criteria And Research

Related Criteria

- Insurers: Rating Methodology, May 7, 2013
- Enterprise Risk Management, May 7, 2013
- Group Rating Methodology, Nov. 19, 2013
- Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings Detail (As Of August 12, 2014)

Holding Company: Fairfax Financial Holdings Ltd.

Issuer Credit Rating	BBB-/Stable/--
Preferred Stock <i>Canada National Scale Preferred Share</i>	P-3
Preferred Stock	BB
Senior Unsecured	BBB-

Operating Companies Covered By This Report

Odyssey Reinsurance Co.

Financial Strength Rating <i>Local Currency</i>	A-/Stable/--
Counterparty Credit Rating <i>Local Currency</i>	A-/Stable/--

Hudson Specialty Insurance Co.

Financial Strength Rating <i>Local Currency</i>	A-/Stable/--
Issuer Credit Rating <i>Local Currency</i>	A-/Stable/--

Related Entities

American Underwriters Insurance Co.

Financial Strength Rating <i>Local Currency</i>	A-/Stable/--
Issuer Credit Rating <i>Local Currency</i>	A-/Stable/--

Crum and Forster Insurance Company

Financial Strength Rating <i>Local Currency</i>	A-/Stable/--
Issuer Credit Rating <i>Local Currency</i>	A-/Stable/--

Ratings Detail (As Of August 12, 2014) (cont.)

Crum & Forster Holdings Corp.

Issuer Credit Rating

Local Currency BBB-/Stable/--

Senior Unsecured

BBB-

Crum & Forster Indemnity Co.

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**Crum & Forster Specialty Insurance Co.**

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**Falcon Insurance Co. (Hong Kong) Ltd.**

Financial Strength Rating

Local Currency A-/Stable/--**Federated Insurance Co. of Canada**

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**First Mercury Insurance Co.**

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**Northbridge Commercial Insurance Corp.**

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**Northbridge General Insurance Corp.**

Financial Strength Rating

Local Currency A-/Stable/--

Issuer Credit Rating

Local Currency A-/Stable/--**Odyssey Re Holdings Corp.**

Issuer Credit Rating

Local Currency BBB-/Stable/--

Preferred Stock

BB

Senior Unsecured

BBB-

Ratings Detail (As Of August 12, 2014) (cont.)

Polskie Towarzystwo Reasekuracji S.A.

Financial Strength Rating

Local Currency

BBB+/Stable/--

Issuer Credit Rating

Local Currency

BBB+/Stable/--

Seneca Insurance Company Inc.

Financial Strength Rating

Local Currency

A-/Stable/--

Issuer Credit Rating

Local Currency

A-/Stable/--

Seneca Specialty Insurance Company

Financial Strength Rating

Local Currency

A-/Stable/--

Issuer Credit Rating

Local Currency

A-/Stable/--

The North River Insurance Company

Financial Strength Rating

Local Currency

A-/Stable/--

Issuer Credit Rating

Local Currency

A-/Stable/--

TIG Holdings Inc.

Issuer Credit Rating

Local Currency

BB/Stable/--

Preferred Stock

BB

United States Fire Insurance Company

Financial Strength Rating

Local Currency

A-/Stable/--

Issuer Credit Rating

Local Currency

A-/Stable/--

Zenith Insurance Co.

Financial Strength Rating

Local Currency

BBB+/Stable/--

Issuer Credit Rating

Local Currency

BBB+/Stable/--

Zenith National Insurance Corp.

Issuer Credit Rating

Local Currency

BB+/Stable/--

Preferred Stock

BB

ZNAT Insurance Co.

Financial Strength Rating

Local Currency

BBB+/Stable/--

Issuer Credit Rating

Local Currency

BBB+/Stable/--

Domicile

Connecticut

Ratings Detail (As Of August 12, 2014) (cont.)

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Copyright © 2014 by Standard & Poor's Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.