

Press Release - DECEMBER 09, 2010

A.M. Best Affirms Ratings of SeaBright Insurance Company and SeaBright Holdings, Inc.

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FOR IMMEDIATE RELEASE

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A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and issuer credit rating (ICR) of "a-" of **SeaBright Insurance Company** (SeaBright) (Chicago, IL). Concurrently, A.M. Best has affirmed the ICR of "bbb-" of SeaBright's holding company parent, **SeaBright Holdings, Inc.** (SHI) (incorporated in Wilmington, DE) [NYSE: SBX]. The outlook for all ratings is stable.

The rating actions reflect SeaBright's solid risk-adjusted capitalization, historically strong underwriting and operating results and the experienced management team within its niche workers' compensation market for multi-jurisdictional insurance.

These positive factors are somewhat offset by the sizeable downturn in SeaBright's operating results in 2010, driven by a weakened underwriting performance associated with reserve strengthening actions for accident years 2007 through 2009, primarily related to increasing medical costs trends. Additionally, the company continues to face marketplace challenges associated with its geographic and coverage lines expansion. Despite these concerns, the outlook reflects SeaBright's continued strong overall capitalization that is further supported by the financial commitment of SHI, and A.M. Best's expectation for improved operating performance over the near term.

A.M. Best will closely monitor SeaBright's actual results against projections to ensure that planned results are attained, reserving patterns stabilize and the company's overall capitalization remains supportive of the ratings.

The principal methodology used in determining these ratings is [Best's Credit Rating Methodology - Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilized include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; "Natural Catastrophe Stress Test Methodology"; "The Treatment of Terrorism Risk in the Rating Evaluation"; and "A.M. Best's Ratings & the Treatment of Debt." Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source.

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