Supplemental Q1 2011 Conference Call

Company Participants

- Alex Maloney, Group Chief Underwriting Officer
- Corporate Participant
- Elaine Whelan, Group Chief Financial Office
- Neil McConachie, Group President
- Richard Brindle, Group Chief Executive Officer
- Sylvain Perrier, Group Chief Actuary Officer

Other Participants

- Adrienne Lim
- Ben Cohen
- Chris Hitchings
- Jelena Bjelanovic
- Nick Pope
- Richard Gradidge
- Thomas Fossard

Presentation

Operator

Good day ladies and gentlemen. And welcome to today's Lancashire Holdings Q1 2011 Conference Call. We apologize for the technical issue experienced early on the previous call at 1 pm. The technical occurs at the PGI and was last by Lancashire Holdings.

For your information, this call is being recorded. I would now like to the turn the call over to your host today Richard Brindle. Please go ahead.

Richard Brindle {BIO 1983776 <GO>}

Thank you. And once again apologies to everybody for the disruption earlier. As you just gathered, it was nothing to do with Lancashire. These things happen. Sorry to mess your days around.

Straight into Q&A. I think I'm joined again by Neil McConachie, Group President; Alex Maloney Group Chief Underwriting Officer, Elaine Whelan, Group Chief Financial Officer; Sylvain Perrier Group Chief Actuary Officer, Donita Group Treasurer. So between us hopefully we can fill your questions. So go ahead please.

Questions And Answers

Operator

Thank you. [Operator Instructions]. We will take our first question today from Ben Cohen Collins Stewart. Your line is now open, please go ahead.

Q - Ben Cohen {BIO 1541726 <GO>}

Hi there, thanks very much. I'd like to ask two things please. Firstly it strikes me that your tone is maybe a bit less bullish than when we last heard from you at the investor day. And I was just wondering sort of, if you think that somethings haven't panned out quite the way you had anticipate then, and how those items, or what might change to sort of, to move the market more in your direction in terms of thinking?

And the second thing I wanted to ask was how do you see the premium split by broad lines of business if we take on a kind of 12 months forward view, because I'm well aware from these results that really we are looking at a kind of history and not necessarily the way you would like to have your portfolio going forward given what happened? Thank you.

A - Richard Brindle {BIO 1983776 <GO>}

Yeah. I handle the first one and I guess a combination of Elaine and Alex in the second one. I think when we're, when we're putting remarks down on paper then particularly when you're dealing with human tragedy on such a massive scale, we just try to reign our comments in a little bit. It just seems a little bit indecent to link mass human - bullish statements about the market. So that's probably why you found outside a little bit a restrained in the Ripon space.

But no I mean if anything we're more bullish than when we last spoke. The property lines are very interesting now starting with the -- it's turned a lot quickly then we thought it would particularly international.

And anything with a sort of international favor, international -flavor is going out 20, 30, 40%. Thus its probably declining by 10% to Japan. So that's a big turn-around. Property - since we last spoke. We've been very active in the back-up market. And again bit more when speaking of and putting it on paper, because a hell lot of a people die. But in New Zealand, some of companies were in a substantial crisis. And we wrote some fantastically well paid back-ups there, but sort of sympathetic way if you like,. We're meeting the clients at the moment.

We met one this morning and we're now looking to turn those sort of crisis times into a long-term relations with some of these companies. And the IPOs they were pretty extraordinary, seem very good obviously since loss in Japan for both wind and quake. Winds prices went up 10% to 15%, prices 30 to 50% on loan loss effected layers. And of course the retro space is probably the most interesting, because you got in the international space 50 to $70 billion of losses now over the last 13, 14 month including Chile. And of course you got change in the U.S.

So for different reasons, both the U.S. and the international retro markets are looking very tight all of a sudden. There is problems with CAT phones. As you know, there is problems with collateralized vehicles having to funds trapped by Japan. There's not an awful lot of new supply come into the market unless we think are going to be increased demand. A lot of companies frankly very short of the PMLs as I referred to in my written remarks.

And I think a lot of bulls must be just reeling from the frequency of these international CAT losses. And so we see the retro market as being particularly strong.

So you know our tone is more bullish than it was three months ago, albeit maybe we didn't put that on paper.

Q - Ben Cohen {BIO 1541726 <GO>}

Okay.

A - Richard Brindle {BIO 1983776 <GO>}

Second question, over to you Elaine

A - Elaine Whelan {BIO 17002364 <GO>}

Sure, Hi Ben. And I think probably earlier in the year we stated to have a high proportion of energy, property per book and for this year. But all the delays have happened, we expect property things to pick up again, and a big mover of an emphasis there. So property and energy businesses are even out again, but more property reinsurance in there than perhaps addition we're expecting there early on this year.

Q - Ben Cohen {BIO 1541726 <GO>}

Alright. Thank you. Thanks very much.

Operator

We will take our next question today from Adrienne Lim from Morgan Stanley. Your line is now open. Please go ahead.

Q - Adrienne Lim {BIO 16537674 <GO>}

Hi there. I was just wanted to ask about the RMS 11. You mentioned that you put a lot of these version changes through to your pricing models. I mean what are you able to quantify the outcome on your pricing models for RMS 11?

And my second question also has to do with RMS 11. You mentioned an impact of something to the effect of 40 billion CAT loss. I mean can you elaborate on that number, which seems quite large?

A - Richard Brindle {BIO 1983776 <GO>}

I'll talk about that Adrienne.

A - Neil McConachie {BIO 7540962 <GO>}

Okay.

A - Richard Brindle {BIO 1983776 <GO>}

The broke his number. I'm not going to say it was broken out, because I'm not sure they won't be tied to one of the leading reinsurance broker. For the rest of it let me pass on over to Alex and Sylvain.

A - Alex Maloney {BIO 16314494 <GO>}

Yeah. I think sorry just for start. One thing I just want to clarify that I said earlier, I said earlier in my script. Our loss ratio for the first quarter was 97.4. Obviously what I meant to say was a combined ratio for the first quarter was 97.4.

In answer to your question RMS 11 from an underwriting point of view is making huge differences. To give you an example, we list an account probably a week ago where the expected loss between RMS 9 and RMS11 has actually gone up 300%. So the changes are material. We are in a like like all these things is always a lag in the market, which is making the underwriting interesting, but equally difficult sometimes.

The market is moving at a different pace. So you've got a market that is changing daily. We are seeing rate increases, but for some of the model change the market is not at a point at where the sort of dollar-to-dollar change on capital lease per account versus now the right increases that you need. So it's a difficult place at the moment. The model has made $8 difference to certain accounts, not all accounts. Sylvain do you want to?

A - Sylvain Perrier {BIO 16185341 <GO>}

So that can be mostly on the accounts, be mostly in that Florida accounts, Texas accounts. Some coastal accounts will actually see some decreases. So as Alex said it's all over the place. RMS, sensor, industry guidance on these things. The increases can be overall for the market. I mean just on an industry basis could be something like 40, 50%. But, it depends. We know that people put enterprising models. What was done before, RMS came over with the new increases. So it might be less than that for some markets.

A - Richard Brindle {BIO 1983776 <GO>}

Just maybe to add to that, there is still a lot consistency. There are I think some comments that were made in the press release that some companies are a little slower to accept the new reality that still are. Some looking to get a programs renewed using purely RMS 9 data, a modeled of data of when if you look to under RMS 11 that would be drastically different, though you got to be quite careful when underwriting.

A - Corporate Participant

Yes.

Q - Adrienne Lim {BIO 16537674 <GO>}

Okay. Thank you.

Operator

Now we'll take our next question today from Richard Gradidge of Numis Securities. Your line is now open. Please go ahead.

Q - Richard Gradidge {BIO 7262556 <GO>}

Hi there. I'll ask three questions. Firstly on the low attrition loss ratio. I understand that's partially due to lower loss mix on new business following your external reserving study. And does that imply to other things being equal we should expect reserve releases in the future to come at a slightly low run rate going forward?

And then the second question relates to political risks losses. I think your previous statements have taught about expansion philosophies on that account or in a terrorism account. But I think Elaine referenced that there weren't any losses coming through for Lancashire in Q1 on that particular business. I was wondering if that was something you think is particular to Lancashire portfolio of whether the losses at an industry level just haven't materialize from the unrest in North Africa?

And then the third question, Richard was really just given the recent spate of industry losses. As you yourselves have already referenced the market could be on the verge of quite an exciting underwriting opportunity environment with significant opportunities for Lancashire. And I was just wondering with that in mind could you tell where you see your role in leading Lancashire forward to take best advantages of those conditions?

A - Richard Brindle {BIO 1983776 <GO>}

Yeah of course Richard I'm so sorry with the last one. I'm delighted to confirm I have no plans to go anywhere, that may elicit horror amongst my colleagues. But now I'm enjoying. I think we are trading successfully. I think our franchise is better and better regarded. It's reflected on our share price. And I'm plan to leading this company for many years to come.

On the let me go in reversal. I'll deal with the second one and I'll hand over to Elaine on the loss ratios. Political risk, I don't think there are massive losses to the market from the Spring. I think there will be bits and bobs, bits of equipment trapped in ports of Libya that sort of thing, probably some physical damage losses in Egypt maybe in Syria too, and Yemen for that matter. We haven't identified any losses to .

What's I think is perhaps more interesting is what we're trying to do is very tough obviously, but we're trying to anticipate where this all might lead. I personally welcome people exercising their rights to free speech and democracy. I think for a long time it's a very good thing for the Middle East and the World. But we do need to think about the about the implications for our portfolio of business.

And I think what we've agreed upon is that the regimes that are looking most vulnerable are those where you have a combination of autopsy and a lack of democracy, but also with a sort of family firm if you like where a family or an extended family essentially just controls the states assets and it basically extracts money from them. Gadaffi is an obvious example.

There are other countries, Kazakhstan is an obvious example, Azerbaijan, seven countries in sub-Sahara and African, less now than they used to be thankfully, which had that sort of state sanctioned autocracy in place. And those sort of countries are countries are which we are very vary about having exposures to and will look to trim or remove exposures when policies come out off a deal.

Obviously these policies are probably, are normally placed on three to five year headers. So overnight action is impossible. But we've identified where we want to get to and we trying to put that in place now. On lost ratios and reserve releases, I'll hand those to Elaine.

A - Elaine Whelan {BIO 17002364 <GO>}

Sure, hi Richard.

A - Richard Brindle {BIO 1983776 <GO>}

Hi.

A - Elaine Whelan {BIO 17002364 <GO>}

The level of loss that we're seeing there is we think, it was a little bit more reflective of our actual experience. This was our reserve first and reserve review after having five years of history there. And what we were finding was that losses was generally reported faster and our loss ratios were lower, the attrition is lower than industry factors.

But what drew the reserve study and the least that we had this quarter. And so going-forward, we've brought in some of our own experience, but it's the first step in doing that. We still don't have enough history to rely on our own experience. And as per reserve, the leases going-forward, we our reserves as accurate as we can. And there is still some reserves in there. So hope we will have some available. No guarantees I guess.

Q - Richard Gradidge {BIO 7262556 <GO>}

Okay. Thanks very much.

Operator

We will take our next question today from Chris Hitchings from KBW. Your line is now open, please go ahead.

Q - Chris Hitchings {BIO 2034501 <GO>}

Thanks gentleman. A couple of just detail things. I'm trying to reconcile 1Q CAT losses with what you said in your initial guidance, which was 75 billion for Japan and 45 to 55 million for the other CATs. Now on what Elaine said, I've go you still got 75 for Japan. You seem to have 25 plus 14 for the other CATs, which doesn't seem to quite adapt to what you say in the press release. Can just give me what's there and what's changed and how comfortable you are on the Japan quake and estimates. There have been a couple of people with increased estimates as I'm sure you're aware?

And, secondly am I clear that the 37 million is a reserve lease is from, is an once for all and for all effect. It's not at one quarter opposite of what it is. It's just come in. And particularly Elaine further exercises. Are these likely to come through in a quarters soon or is that going to be something for next year? Thank you.

A - Richard Brindle {BIO 1983776 <GO>}

Okay. Thanks Chris. I'll hand over to Elaine in a moment, I think on your first point. I think the reason is we should rather. On arable the lightly misguided press release where we conflated Cat and non-Cat losses. And I think that 40 to 45 includes the different loss. But Elaine will elaborate on that and the question about reserve releases.

Q - Chris Hitchings {BIO 2034501 <GO>}

Okay. Well, thanks.

A - Elaine Whelan {BIO 17002364 <GO>}

Sure. Hi Chris.

Q - Chris Hitchings {BIO 2034501 <GO>}

Hi.

A - Elaine Whelan {BIO 17002364 <GO>}

The 45-55 did have in there. It also had New Zealand and had a little bit in there for potential to go, velocity to come through from Australia and on a small in there in Egypt as well. And this clearly is an Egyptian losses we're being cautious on. It didn't materialized. So that number has coming down.

So that's the difference that you're seeing there. And ordinary reserve releases and it's a catch off the first time we've overlaid our own experience over industry loss reserve factors. We'll continue to do that and going forward as we get more and more material reserve data. So there maybe tweaks here and there as we go long. On those older reserves, there is faster development pattern on then. I mean there is obviously not much left, the things for 2006-2007.

You might see some development on the and '08, and '09. This comes in a lot faster than has been done, has being doing typically.

A - Richard Brindle {BIO 1983776 <GO>}

And Chris to your question on Japan. Yes we're happy with the number. It's has seen the level of market loss and loss to - and that's people in the industry are seeing at this point, that's might be there and we're happy with the number.

Q - Chris Hitchings {BIO 2034501 <GO>}

Okay, fine. It's just that you seem to have some more uncertainty over Brisbane and New Zealand than you have over Japan, which is the opposite of what most other people have. Is that because are you comfortable because of the mixture of what your protections are and what you've written. You are more comfortable than you are on the levels?

A - Richard Brindle {BIO 1983776 <GO>}

I think that's right. And we have just a handful of contracts as disposed Chris . It's a very granular operation to come up with that number.

Q - Chris Hitchings {BIO 2034501 <GO>}

Okay. Thanks very much.

A - Richard Brindle {BIO 1983776 <GO>}

No problem.

Operator

Thank you. We will take our next question from Jelena Bjelanovic from Bank of America Merrill Lynch. Your line is now is now open. Please go ahead.

Q - Jelena Bjelanovic {BIO 16398596 <GO>}

Oh hello. I thought I've actually taken myself out of the question queue, but as I'm on Elaine you mentioned that you loss stakes are going to lower going forward. Would you be able to give us some idea of changes in sensitivity.

For example your attritional loss ratio when I exclude the benefits of reserve release and large losses there has typically have been around the 20 to maybe 25, 28% and then your ultimate loss ratios. I think those are typically settled between about 10 and 15% for the prior year. Can you give us maybe some color on I guess on the typical differences between your loss ratio experienced and the industry loss ratio. And what's the best way to think about these attritional loss ratios going forward? Thanks.

A - Elaine Whelan {BIO 17002364 <GO>}

I think generally our experience has being and as I said better than industry and we've been living our programs and things like, which makes a difference to our attrition moving farther and further away from that. So generally we've been finding that and the attrition performance has been better by a slow margin there in our loss ratios. So if you move to kind of the lower end your range there I think we would be a bit okay.

Q - Jelena Bjelanovic {BIO 16398596 <GO>}

So, when you sorry, for some of the key lines of business maybe you could give us a bit of color on I guess the differential between your experience and loss experience within them, and the industry experience would be sort of five percentage points. Is the ultimate loss ratio the ones we focus on more?

A - Elaine Whelan {BIO 17002364 <GO>}

Yeah, I mean I think you're kind of in the right ballpark Jelena, but I would look at things like Marine Book, our energy book, and can compare them to some of the largest people. We had much better experience there not, because the type of business to be right there. I mean we don't do the high volume claim stuff. We don't cargo and the button there and we do the quality crew ships, and LNGs and things like that and with it. So the experience that we're seeing there has just generally been better than the industry and if you take the at the end of that, then you probably recommend the ratios there ?

A - Corporate Participant

Yeah, that's right Jelena. I think the reason why out loss ratios are different to industry. We do spend a huge amount of time focusing on the attrition. There is lots. lots of business we don't in the market. So we don't just ride our share of the energy market. So that's why you are saying our loss ratios is better than others.

Q - Jelena Bjelanovic {BIO 16398596 <GO>}

Great. Thank you very much.

A - Richard Brindle {BIO 1983776 <GO>}

Maybe just to add one of a quick thing. This is an switching completely from industry ratios to Lancashire's experience. This is just a start of a blend of using the two that gradually over a number of years you move to the point where you're just bringing in more and more of your own experience. And that is not a bit deal, but it was tie him off to five years which is quite typical for companies to do, to start to bring in some of your own experience.

Q - Jelena Bjelanovic {BIO 16398596 <GO>}

Great. Thank you.

Operator

We will take our next question today from Nick Pope from Jefferies. Your line is now open. Please go ahead.

Q - Nick Pope {BIO 16852956 <GO>}

Yes thanks very much. I just had a few questions here. The first one is I have read some reports recently about some reinsurance particularly the median. You of course would be looking to withdraw some aggregate going into the U.S. wind storm season renewals, which are happening at the moment based on the very heavy level of losses they've already had in Q1. Now we obviously talked about greater opportunities in international catastrophe areas where rates are obviously going up. Where would you see Lancashire is positioned for growth in the U.S. wind storm arena? And that's my first question.

And second question is I think so at the start of the year, we will looking at full year premiums as down I was thinking around 5ish percent. And in within that we're looking at energy improving and then declines elsewhere. Now obviously energy doesn't seems to coming through as strongly as you originally thought, but there seems to be great opportunities elsewhere. And would you be able to possibly give us some sort of feel for where you see full year premiums at this stage or is it just too early based on the uncertainty in the market? And those are my two questions.

A - Richard Brindle {BIO 1983776 <GO>}

Okay, sure. I'll take the first and hand the second to Elaine on premium guidance. U.S. property cap. I think the problem is that it's already above the version change. But as Neil said and I mentioned in my remarks, there is a lot of differential as to how quickly people are embracing the new reality.

Candidly some of the U.S. domestics and quite of the London they needed a bit better, a lot of the U.S. and UK players are kind of put their heads in the sand. And we've spoken to pretty senior line underwriters in London who even now have not received guidance from senior management as to how to implement and adjust to version 11. We as Alex said, already model all our U.S. wind expose deals on the basis of version 11.

So sadly that's not the case across the industry. So, I think the hard lock for U.S. property count will be next year not this year. I think Florida will probably be disappointing at 1.6. The early signs I think will be disappointing. On a risk adjusted basis it's still going to be not really moving ahead very much.

We have some pretty disappointing Northeast winds deals around of one-four some of which we came off, because they frankly ignore the new reality. But we were going to have to come to terms as the reality of the year progresses. And we're in no doubt the market next year will be great. For this year, I think it's really the product that we think is going to be particularly good. You'll probably see comments today. There is not much supply out there. There is definitely going to be increased demand and that will probably be the focus for us this year along with the data side, which is I said earlier is actually throwing out some pretty decent opportunities for us. On premium guidance over to Elaine.

Q - Nick Pope {BIO 16852956 <GO>}

Great. Thanks.

A - Elaine Whelan {BIO 17002364 <GO>}

Hi, Nick.

Q - Nick Pope {BIO 16852956 <GO>}

Hi.

A - Elaine Whelan {BIO 17002364 <GO>}

We don't tend to give top line guidance in any kind of form. But I think your fair reactor in thinking that premiums were going to be down against last year and not in this year. And part of that was due to the multi-years. The last year that we talked about was the 75 billion in the and I'm pricing general expenses to be becoming off in property, energy being the bright spot there. And I think our expectations in the energy are fairly similar to where they were earlier. And I'm going to see some pricing increases there. The change in property side of segment where we're seeing more opportunities there. Price a little bit of in G&F et cetera as Richard said. And they are stopping and reversing and there is opportunities that in the international arena. So while you may have seen the splits being more towards energy than property. It's the new towards property and it gives you a more sort of even split most --.

Q - Nick Pope {BIO 16852956 <GO>}

Great, thanks very much indeed.

Operator

We will take our next question today from Thomas Fossard from HSBC. Please go ahead.

Q - Thomas Fossard {BIO 1941215 <GO>}

Yes, sorry. Good afternoon, Two questions, a quick question for me. So the first would be on the RMS model for the new version, the 11 version. Could you tell us a bit what's implication of the implementation model or on your own book cost business. And because of your specific risk exposure in the U.S., I mean could we see that, or will you see the implementation of the version 11 could have a more negative impact on your books than on your peers?

Second question on that will be how close this is is this bringing you back to the maximum risk appetite you want to expose your book especially in U.S. where you said is at the threshold of exposing your book at maximum 25% of capital. Is that bringing you close back to this 25% just to better understand, what is the room left for growing exposure?

And the third and last question will be on your retro, your protection, your buying. I know you're buying not a lot of retro, but I was interested by your return comment on the fact that following the Nordic Sea energy loss, you've been forced to reinstate the re-entrance program. And I was wondering, does not seem to be a huge loss, but we see you have been forced to shut the program. So I mean I was wondering if you could give us more granulation on that? Thank you.

A - Richard Brindle {BIO 1983776 <GO>}

Yeah that's fine. Alex why don't you deal with the Griffin outward question and then maybe Sylvain can deal with RMS and follow just the capital?

A - Alex Maloney {BIO 16314494 <GO>}

Yes sure. On the Griffin energy losses, actually it's quite a big loss as I stated earlier.

If you look at the Deepwater Horizon loss of last year in the Gulf Mexico, that loss was just under $600 million. If you exclude the casualty. The Griffin loss is currently $800 million. So, its actually a bigger loss than with Deepwater Horizon.

Obviously from a market point of view and where the market is going to write and it's frustrating for us. Because post Deepwater Horizon, so it jumped up 20%. And post Griffin we're seen writing of about 5%, which doesn't make an awful lot of sense to us, but obviously the market aren't always that logical. We do buy reinsurance to protect our risk exposures on our energy account. As you see in the press release our retention is $25 million.

That's pretty typical for someone of the that size. The Griffin Summit that we would expect to have some exposure to our reinsurance. So we would expect to going into our reinsurance program if it is a market loss of $800 million. We only have a 4% share of that loss. That is something we would expect to go in to that reinsurance program. Sylvain could you talk about RMS 11.

A - Sylvain Perrier {BIO 16185341 <GO>}

Yeah. We haven't made a judgment to our RMS model. We have to plus the experience that we have in the past. So we know the exchanges work, so we haven't made changes before that. There will be some increases not withstanding debt, but our P&L will stay well within their tolerances.

A - Richard Brindle {BIO 1983776 <GO>}

Yeah I think that's the key point. We've seen this coming. We've been very quick out of the blocks and we've already managed to adjust a lot of our line sizes particularly on the D&F account to mitigate the impact of version 11. So I think quite the contrary from what we say I think we've been perhaps less than others, because we've been quick enough to take the prioritative action still with the model change.

Q - Thomas Fossard {BIO 1941215 <GO>}

And just a follow-up. On your to grow exporter your Cat exposure on your . I guess you've got more room of international on the international Cat. Could you potentially quantify your stand in terms of risk exposure by geographical region? Thank you.

A - Richard Brindle {BIO 1983776 <GO>}

Well we give precise number, because it may be around the lot. But I think we have plenty of room in both the U.S. and the international arenas too right well price business post the implementation of the model change.

Q - Thomas Fossard {BIO 1941215 <GO>}

Thank you.

A - Richard Brindle {BIO 1983776 <GO>}

Welcome.

Operator

[Operator Instructions]. We will take our next question from Ben Cohen from Collins Stewart. Please go ahead. Your line is now open.

Q - Ben Cohen {BIO 1541726 <GO>}

Hi guys. Just wanted to ask a follow-up on the capital. And specifically in the remarks you said that that you will looking at other possibilities to leverage your underwriting expertise. I just wonder if you could give us a bit of color on that?

And I think at the Analyst Day you talked little bit about possibly raising equity if you needed to and I just wondered if your thoughts on that had evolved at all? Thanks.

A - Richard Brindle {BIO 1983776 <GO>}

Thank you Ben. Neil probably one to you.

A - Neil McConachie {BIO 7540962 <GO>}

Yeah. We gave that's answer that sounded that we avoid any question on the Investor Day. But we absolutely didn't avoid any question. When we have the ability to make a good return on a certain amount of capital if that capital number is higher than we've got right now then we'll raise money and if it's not then we won't. I guess if we were just maybe extending those remarks right now, we're not in a hard market. There are some great opportunities in certain areas. But it's not across every line of business, it's maybe one more industry loss to get us to that big broad hard market although this size of loss now it doesn't need to be anywhere as big as the . The chances of us going and raising money on our own balance sheet are fairly low right now.

But obviously they are equity, its not something that we're contemplating at this time. At the same time we're not, and likely as Elaine to do share repurchases right now partly because of price. They are real part, because we are seeing in the property cut international arena and another areas some great opportunities.

So, I guess we're happy with the capital we've got. We've got plenty to take advantage of. What we see, but we're not looking at the situation right now where we would be either raising debt or going and raising equity. But I would like to share as always, we think of capital management all the time. So I guess watch this space.

Q - Ben Cohen {BIO 1541726 <GO>}

Right. So they aren't sort of specific side cars or things that you're looking at, giving where the market is now?

A - Neil McConachie {BIO 7540962 <GO>}

As I say, we look and stuff all the time that can be as debt raises, debt raises, side cars is something that we constantly look at.

Q - Ben Cohen {BIO 1541726 <GO>}

Okay, thanks very much.

A - Neil McConachie {BIO 7540962 <GO>}

Okay.

Operator

[Operator Instructions]. As there are currently no further questions in the queue. That will conclude today's question and answer session. I would now like to turn the call back to your host today for any additional or closing remarks.

A - Richard Brindle {BIO 1983776 <GO>}

Thank you very much. I will just close by saying, we are pleased to have to produce a result we have for Q1. I think it is going to very good when you meet across the industry when all results are out. And just to reiterate our attitude is very bullish on the property lines for the rest of the year although they are not particularly so much of property cut in the U.S., but from retro, but very strong and we look forward to trading through the summer. Thank you very much.

Operator

That will conclude today's conference call. Thank you for your participation. Ladies and gentlemen you may now disconnect.