



**BABSON**  
COLLEGE



# PUERTO RICO CONFERENCE

Entrepreneurship for Growth

# 2010

March 24, 2010 | Conrad San Juan Condado Plaza | 7:30 a.m. - 5:00 p.m.

P u e r t o R i c o C h a m b e r o f C o m m e r c e



**Miguel Barrales**

**Chief Executive Officer**

**Flagstone Underwriters Latin America Limited A.I.**

Flagstone is a multi-line reinsurer and insurer with over 500 talented employees in **14 offices and 12 countries** around the globe dedicated to offering world-class service and the most comprehensive analysis of risk in the market.

Flagstone fosters a strong service culture and continually pushes the boundaries of traditional modeling to provide better, richer data analysis in a shorter amount of time.

We understand the need for prompt responses to quote and through the efficiency of our global platform and the utilization of proprietary technology, we can quickly respond to clients with informed, data driven risk analysis.

**GROWTH**

**STRENGTH**

**COMMITMENT**

# ABOUT US

## OUR STRATEGY

Leverage our global operating platform

Lead the industry in the utilization of proprietary analytics

Expand our strong broker and customer relationships through industry leading service

Employ our capital markets expertise to optimize our return and expand our opportunities

Maintain an energetic culture that continuously challenges best practices

# THE FLAGSTONE DIFFERENCE

Consider the Flagstone difference....

## GLOBAL PLATFORM

Unique, efficient, and scalable

## TECHNOLOGY

Cutting - edge analytics for superior service and risk analysis

## DIVERSIFICATION

Balanced, conservative and strategic.





# GLOBAL PLATFORM



**THROUGH THE EFFICIENCY  
OF OUR GLOBAL  
PLATFORM, FLAGSTONE IS  
ABLE TO:**

Offer fast, efficient service to clients 24 hours a day.

Respond rapidly to submissions.

Source more risks and be more selective in the risks we choose.

Penetrate local markets – source business that wouldn't typically be directed to larger markets

Retain more professional talent in comparison to companies several times our size

# DIVERSIFICATION IN PRACTICE

## GLOBAL PLATFORM



# WHY PUERTO RICO?



**INTERNATIONAL &  
OFFSHORE INSURANCE  
CENTER**

**REGULATORY CERTAINTY**

**LOCAL INFRASTRUCTURE**

**WORKFORCE**





# INTERNATIONAL INSURANCE CENTER OF PUERTO RICO

Initiative lead by the Office of the Commissioner of Insurance and a group of representatives from the private sector.

Laws No. 399 and 400, in effect since March of 2005, allow for the creation and establishment of this type of center, propelling Puerto Rico as an important member of the international insurance arena.

Chapter 61 of the Puerto Rico Insurance Code provides a competitive environment within which insurance companies and reinsurers could cover risks in and out of Puerto Rico, under a secure and flexible regulatory scheme, which includes attractive tax benefits.

## **FIVE CLASSES OF INTERNATIONAL INSURERS AND REINSURERS:**

**Class 1 - pure captives**

**Class 2 - association captives**

**Class 3 - restricted property  
and casualty**

**Class 4 - unrestricted  
property and casualty**

**Class 5 - unrestricted life  
and disability**



# REGULATORY CERTAINTY

## PUERTO RICO A U.S. COMMONWEALTH:

Legal protection is provided under both Federal and State constitutions.

Use of US currency and general allowance of a free flow of funds abroad.

Regulatory structure guarantees sound credit and investment practices.



# LOCAL INFRASTRUCTURE AND WORKFORCE



## INFRASTRUCTURE:

Robust insurance industry and regulatory supervisor.

Abundance of service providers:

- Banking
- Consulting
- Outsourcing

State of the art communications.

## WORKFORCE:

Population - 4 mill.

Fully bilingual corporate culture .

# MULTI-LINE REINSURANCE & INSURANCE

PROPERTY | PROPERTY CATASTROPHE | SPECIALTY LINES | SHORT-TAIL CASUALTY

**FLAGSTONE UNDERWRITERS LATIN AMERICA LIMITED A.I.**

Western Bank World Plaza, 268 Muñoz Rivera Av., Suite 1900  
San Juan, Puerto Rico 00918

[www.flagstonere.com](http://www.flagstonere.com)





# SAFE HARBOUR STATEMENT

This presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this presentation which address activities, events or developments which we expect or anticipate will or may occur in the future are forward-looking statements. The words "will," "believe," "intend," "expect," "anticipate," "project," "estimate," "predict" and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to Flagstone's: growth in book value per share or return on equity; business strategy; financial and operating targets or plans; incurred losses and the adequacy of its loss and loss adjustment expense reserves and related reinsurance; projections of revenues, income (or loss), earnings (or loss) per share, dividends, market share or other financial forecasts; expansion and growth of our business and operations; and future capital expenditures.

These statements are based on certain assumptions and analyses made by Flagstone in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including: the risks described in our Annual Report or Form 10-Q; claims arising from catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks; the continued availability of capital and financing; general economic, market or business conditions; business opportunities (or lack thereof) that may be presented to it and pursued; competitive forces, including the conduct of other property and casualty insurers and reinsurers; changes in domestic or foreign laws or regulations, or their interpretation, applicable to Flagstone, its competitors or its clients; an economic downturn or other economic conditions adversely affecting its financial position; recorded loss reserves subsequently proving to have been inadequate; other factors, most of which are beyond Flagstone's control.

Consequently, all of the forward-looking statements made in this presentation are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Flagstone will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Flagstone or its business or operations. Flagstone assumes no obligation to publicly update any such forward-looking statements, whether as a result of new information, future events or otherwise.



**BABSON**  
COLLEGE



# PUERTO RICO CONFERENCE

Entrepreneurship for Growth

# 2010

March 24, 2010 | Conrad San Juan Condado Plaza | 7:30 a.m. - 5:00 p.m.

P u e r t o   R i c o   C h a m b e r   o f   C o m m e r c e