



The Insurance Information Source

NEWS RELEASE

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST INTERNATIONAL, LONDON

A.M. BEST EUROPE, LONDON • A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

FOR IMMEDIATE RELEASE

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A.M. Best Downgrades Debt Ratings of St. Paul Travelers; Affirms Financial Strength Ratings and Revises Outlooks

Ratings Supplement

The following debt ratings have been downgraded with a stable outlook:

The St. Paul Travelers Companies, Inc.

(formerly known as **The St. Paul Companies, Inc.**)—

-- to "a-" from "a" on \$443 million of 5.25% senior unsecured notes (equity units), due 2007

-- to "a-" from "a" on \$500 million of 5.75% senior notes, due 2007

-- to "a-" from "a" on \$250 million of 7.875% senior notes, due 2005

-- to "a-" from "a" on \$250 million of 8.125% senior notes, due 2010

-- to "a-" from "a" on \$80 million of 7.125% senior notes, due 2005

-- to "a-" from "a" on the medium-term note program

-- to "bbb+" from "a-" on \$112 million of zero coupon convertible subordinated notes, due 2009

MMI Capital Trust I—(guaranteed by The St. Paul Travelers Companies, Inc.)

-- to "bbb" from "bbb+" on \$125 million 7.625% preferred capital securities, due 2027

USF&G Capital I—(guaranteed by The St. Paul Travelers Companies, Inc.)

-- to "bbb" from "bbb+" on \$100 million 8.5% Series A capital securities, due 2045

USF&G Capital II—(guaranteed by The St. Paul Travelers Companies, Inc.)

-- to "bbb" from "bbb+" on \$100 million 8.47% Series B capital securities, due 2027

USF&G Capital III—(guaranteed by The St. Paul Travelers Companies, Inc.)

-- to "bbb" from "bbb+" on \$100 million 8.312% Series C capital securities, due 2046

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St. Paul Capital Trust I—

-- to "bbb" from "bbb+" on \$575 million 7.6% preferred capital securities, due 2050

The following indicative ratings under the shelf registration have been downgraded with a stable outlook:

The St. Paul Travelers Companies, Inc. (formerly known as The St. Paul Companies, Inc.)—

-- to "a-" from "a" on senior debt
-- to "bbb+" from "a-" on subordinated debt
-- to "bbb" from "bbb+" on preferred stock

St. Paul Capital Trust II—

-- to "bbb" from "bbb+" on preferred securities

The debt rating of AMB-1 on the commercial paper program has been affirmed with a stable outlook for **The St. Paul Travelers Companies, Inc.**

The following debt ratings have been downgraded with a stable outlook:

Travelers Property Casualty Corp.—

-- to "a-" from "a" on \$400 million 3.75% notes, due 2008
-- to "a-" from "a" on \$500 million 5.0% notes, due 2013
-- to "a-" from "a" on \$500 million 6.375% notes, due 2033
-- to "bbb+" from "a-" on \$893 million 4.5% convertible junior subordinated notes, due 2032

Travelers Insurance Group Holdings Inc.—

-- to "a-" from "a" on \$150 million 6.75% notes, due 2006
-- to "a-" from "a" on \$200 million 7.75% notes, due 2026

The financial strength rating of A (Excellent) has been affirmed with a stable outlook for the following property/casualty members of the St. Paul Companies:

- **St. Paul Fire & Marine Insurance Company**
- **St. Paul Surplus Lines Insurance Company**
- **Athena Assurance Company**
- **Seaboard Surety Company**
- **St. Paul Medical Liability Insurance Company**
- **St. Paul Protective Insurance Company**
- **Discover Property and Casualty Insurance Company**

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- **Discover Specialty Insurance Company**
- **St. Paul Reinsurance Company Ltd.**
- **United States Fidelity and Guaranty Company**
- **Fidelity and Guaranty Insurance Company**
- **Fidelity and Guaranty Insurance Underwriters, Inc.**
- **GeoVera Insurance Company**
- **Pacific Select Property Insurance Company**
- **St. Paul Fire and Casualty Insurance Company**
- **St. Paul Guardian Insurance Company**
- **St. Paul Mercury Insurance Company**
- **USF&G Insurance Company of Mississippi**
- **USF&G Specialty Insurance Company**

The financial strength rating of A- (Excellent) has been affirmed with a negative outlook for **Discover Reinsurance Company**.

The financial strength rating of A+ (Superior) has been affirmed with a stable outlook for the following unit members of the Travelers Property Casualty Pool:

- **Travelers Casualty and Surety Company**
- **The Travelers Indemnity Company**
- **The Phoenix Insurance Company**
- **The Standard Fire Insurance Company**
- **Travelers Casualty Insurance Company of America**
- **Farmington Casualty Company**
- **The Automobile Insurance Company of Hartford, Connecticut**
- **The Travelers Indemnity Company of Connecticut**
- **The Charter Oak Fire Insurance Company**
- **The Travelers Indemnity Company of America**
- **Travelers Casualty Company of Connecticut**
- **Travelers Commercial Casualty Company**
- **Travelers Commercial Insurance Company**
- **Travelers Property Casualty Company of America**
- **Travelers Property Casualty Insurance Company**
- **TravCo Insurance Company**
- **Travelers Excess & Surplus Lines Company**
- **The Travelers Home and Marine Insurance Company**
- **Travelers Personal Security Insurance Company**
- **Travelers Personal Insurance Company**
- **Travelers Casualty and Surety Company of America**
- **Travelers Casualty and Surety Company of Canada**

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- **Travelers Casualty and Surety Company of Europe, Limited**
- **The Travelers Lloyds Insurance Company**
- **Travelers Lloyds of Texas Insurance Company**

All other financial strength ratings of the subsidiaries of St. Paul Travelers' are unaffected.

A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best's Web site at www.ambest.com.

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