



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

July 29, 2008

CONTACTS: Analysts

Robert DeRose
(908) 439-2200, ext. 5453
robert.derose@ambest.com

Peter Dickey
(908) 439-2200, ext. 5053
peter.dickey@ambest.com

Public Relations

Jim Peavy
(908) 439-2200, ext. 5644
james.peavy@ambest.com

Rachelle Morrow
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

**A.M. Best Places Ratings of XL Capital Ltd and
Its Subsidiaries Under Review With Negative Implications**

The FSRs of A (Excellent) and ICRs of “a” have been placed under review with negative implications for the following subsidiaries of **XL Capital Ltd**:

- **XL Re Ltd**
- **Indian Harbor Insurance Company**
- **Greenwich Insurance Company**
- **XL Insurance Company of New York, Inc.**
- **XL Insurance America, Inc.**
- **XL Select Insurance Company**
- **XL Reinsurance America Inc.**
- **XL Specialty Insurance Company**
- **XL Insurance (Bermuda) Ltd**
- **XL Re Latin America Ltd**
- **XL Insurance Company Limited**
- **XL Europe Limited**
- **XL Re Europe Limited**
- **XL Lloyds Insurance Company**
- **XL Life Ltd.**

The ICR of “bbb” has been placed under review with negative implications for **XL Capital Ltd**.

The following debt ratings have been placed under review with negative implications:

XL Capital Ltd—

- “bbb” on \$255 million 6.58% senior unsecured notes, due 2011
- “bbb” on \$600 million 5.25% senior unsecured notes, due 2014
- “bbb” on \$745 million 7.0% adjustable conversion rate equity security units, due 2009
- “bbb” on \$350 million 6.375% senior unsecured bonds, due 2024
- “bbb” on \$325 million 6.3% senior unsecured notes, due 2027
- “bb+” on \$1.0 billion Series E 6.5% non-cumulative preference shares, redeemable 2017

—MORE—



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

—2—

XL Capital Finance (Europe) plc (guaranteed by XL Capital Ltd)—
-- “bbb” on \$600 million 6.5% senior unsecured notes, due 2012

Mangrove Bay Pass Through Trust—
-- “bb+” on \$500 million 6.102% preferred shares, redeemable 2033

XLLIAC Global Funding —
-- “a-” on Series 2005-2 \$200 million floating rate secured notes, due 2010
-- “a-” on \$350 million 4.8% fixed rate medium-term notes, due 2010
-- “a-” on \$100 million floating rate senior secured notes, due 2010

The following indicative ratings on shelf securities have been placed under review with negative implications:

XL Capital Ltd—
-- “bbb” on senior unsecured
-- “bbb-” on subordinated
-- “bb+” on preferred stock

XL Capital Finance (Europe) plc (guaranteed by XL Capital Ltd)—
-- “bbb” on senior unsecured

XL Capital Trust I, II & III (guaranteed by XL Capital Ltd)—
-- “bb+” on preferred securities

The FSRs of A- (Excellent) and ICRs of “a-” have been placed under review with negative implications for the following life/health subsidiaries of **XL Capital Ltd**:

- **XL Re Life America Inc.**
- **XL Life Insurance and Annuity Company**

The ICR of “a-” has been placed under review with negative implications for **XLLIAC**

Global Funding.

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit www.ambest.com.

####