

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

A.M. BEST CANADA, TORONTO
A.M. BEST ASIA -PACIFIC, HONG KONG
<http://www.ambest.com>

FOR IMMEDIATE RELEASE

MEDIA CONTACTS: Corporate Communications
Jim Peavy
(908) 439-2200, ext. 5644
peavyj@ambest.com

Analyst
Bryan Miesel
(908) 439-2200, ext. 5377
mieselb@ambest.com

A.M. Best Affirms Rating for SCOR, Removes It From Under Review and Affirms Debt Ratings

OLDWICK, N.J., July 17, 2001—A.M. Best Co. has affirmed the financial strength rating of A+ (Superior) for **SCOR Group**, Paris, and has removed the rating from under review. A.M. Best has also affirmed SCOR's debt ratings. Both the financial strength and debt ratings have been assigned a negative outlook.

The affirmation of the rating for SCOR reflects the group's excellent capitalization, favorable earnings, conservative investment philosophy, prudent reinsurance program and experienced management. A.M. Best assigns a negative outlook to the ratings due to concerns over SCOR's ability to demonstrate enhanced operating profitability from an upturn in the market cycle and implement structural changes that will enable SCOR to maintain its current rating level in the long-term. The rating will be driven by evidence of measurable improvements in these areas. In recent years, SCOR has experienced a significant decline in operating profitability and needs to produce financial results in line with the rating category.

The rating acknowledges SCOR's overall profitability, as group net income increased 13% for the year, yielding an average return on equity of 9%, as ordinary investment income was robust and exceptional capital gains were generated on the sale of shares in Euler and Coface. With a capital and solvency position, which is strengthened by the May 2001 acquisition of Sorema and added financial flexibility provided through unused credit lines, commercial paper programs and medium-term notes, SCOR has sufficient means to finance future growth

—MORE—

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

A.M. BEST CANADA, TORONTO
A.M. BEST ASIA -PACIFIC, HONG KONG
<http://www.ambest.com>

—2—

ambitions. The Sorema acquisition allows SCOR to further consolidate its business profile while maintaining its competitive advantage in the reinsurance of large industrial risks. The group continues to perform solidly in life, accident and health reinsurance and in non-traditional reinsurance. SCOR's life, accident and health reinsurance line of business continues to expand in premium volume while producing a larger share of consolidated profits and an excellent return on capital, especially in the key French and German markets. A.M. Best expects SCOR's recent acquisition in the United States to provide further geographic diversification with an added source of earnings that is less volatile than the non-life book of business. Within non-traditional reinsurance, credit and financial instruments business continues to grow and contribute to earnings.

The rating also takes into consideration SCOR's ability to combine financial capacity with technical and commercial capabilities while maintaining strong and close links with ceding companies. SCOR is able to provide complex solutions that demand expertise in specialty classes such as exceptional risks, unbalanced risks and unstructured risks in property and casualty, substandard risks in life and program business in the United States. SCOR's natural catastrophe risks underwriting policy is conservative and its natural catastrophe business will benefit in 2001 from sharply increased rates and a demand for increased capacity. The rating also reflects SCOR's growing number of lead positions where it can dictate terms and conditions, along with a good geographic reach. The group possesses the size and financial strength needed to compete effectively in the global reinsurance market.

Offsetting SCOR's positive rating factors is a continued deterioration in underwriting results, which worsened for the fifth consecutive year. The group's core property and casualty

—MORE—

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

A.M. BEST CANADA, TORONTO
A.M. BEST ASIA -PACIFIC, HONG KONG
<http://www.ambest.com>

—3—

business sector experienced substantial losses in 2000 from natural catastrophe claims, a series of major industrial claims, adverse run-off on U.S. business and reserve strengthening. Storm losses from Lothar and Martin in December 1999 were under-estimated, and the net additional charge in 2000 was EUR 26 million. In 1999, natural catastrophe losses impacted consolidated results by EUR 182 million, and the combined ratio for the division increased to 119. Though a large proportion of the losses for 2000 were non-recurring, the combined ratio reached 136. The results from SCOR Reinsurance Company in the United States greatly impacted the group's underwriting as it underwent a detailed actuarial analysis of technical provisions in light of incorrect premium estimates for the 1997-1999 period. The review confirmed the provision inadequacy, which led to a reserve strengthening of USD 160 million. Over the past three years, the performance of this subsidiary has been a burden to consolidated earnings and SCOR Group expectations. In an effort to improve operations in 2001, SCOR U.S.'s property and casualty exposures have been significantly reduced, and a number of contracts have been canceled. In specialty reinsurance, heavy average loss experience produced underwriting losses in surety business in the United States and in large corporate clients reinsurance activity written through SCOR Business Solutions. Finally, the acquisition of Sorema, whose financial results have been very poor in recent years, will present a challenge to SCOR as it integrates Sorema's operations.

The rating applies to SCOR Group and its nine reinsurance subsidiaries and their insurance subsidiaries based on the consolidation of the following companies:

- **SCOR France**
- **SCOR Italy**
- **SCOR Deutschland**
- **SCOR UK**
- **SCOR Canada**

—MORE—

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

A.M. BEST CANADA, TORONTO
A.M. BEST ASIA -PACIFIC, HONG KONG
<http://www.ambest.com>

—4—

- **SCOR Asia-Pacific (including SCOR Asia-Pacific Australian branch, SCOR Re Far East and SCOR Reinsurance Company Asia)**
- **SCOR Reinsurance Company, United States (including General Security subsidiaries)**
- **SCOR Life US Reinsurance Company (including Republic-Vanguard Life Insurance Company and Investors Insurance Corporation)**
- **Commercial Risk Partners (including Commercial Risk Reinsurance Company Limited, Commercial Risk Re-Insurance Company and Commercial Risk Luxembourg)**

These companies are integral to the overall strategy and success of the SCOR Group and contribute to SCOR's market position, operating performance and financial strength. In addition, the group rating recognizes the unconditional guarantee from the parent for all reinsurance and insurance business that is written by the rated subsidiaries which receive capital support from the parent and operate as a single reinsurance unit backed by the full underwriting capacity and financial and technical resources of the group. The group rating reflects the centrally established underwriting guidelines for SCOR's subsidiaries to ensure the diversification and management of risk with respect to its business by line and class. Operations in Paris provide claims, accounting, legal, administrative, systems, internal audit, investment and human resources support to the group's subsidiaries.

The following existing debt ratings have been affirmed with a negative outlook:

- AMB-1 EUR Commercial Paper Program
- "aa-" – senior unsecured EUR medium term note program
- "aa-" – five-year convertible bonds
- "a" – EUR 100 million cumulative subordinated notes, due 2020
- "a" – EUR 50 million subordinated perpetual step-up notes (issued by Societe d'Etudes et de Placements Financiers and guaranteed by SCOR)
- "a" – USD 100 million subordinated step-up notes, due 2029

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.

#####