



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

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A.M. Best Downgrades Ratings of XL Capital Ltd. and Its Subsidiaries

The FSR has been downgraded to A (Excellent) from A+ (Superior) and the ICRs to “a” from “aa-” with a stable outlook 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 following debt ratings have been downgraded with a stable outlook:

XL Capital Ltd—

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

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—2—

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

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

XLLIAC Global Funding —
-- to “a-” from “a” on Series 2005-2 \$200 million floating rate secured notes, due 2008
-- to “a-” from “a” on \$350 million 4.8% fixed rate Medium Term Notes due 2010
-- to “a-” from “a” on \$100 million floating rate secured notes, due 2010

The following indicative ratings on shelf securities have been downgraded with a stable outlook:

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

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

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

The FSRs have been downgraded to A- (Excellent) from A (Excellent) and the ICRs to “a-” from “a” with a stable outlook for:

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

The ICR has been downgraded to “bbb” from “a-” with a stable outlook for **XL Capital Ltd.**

The ICR has been downgraded to “a-” from “a” with a stable outlook 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

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—2—

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