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## FOR IMMEDIATE RELEASE

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### **A.M. Best Affirms Credit Ratings of XL Group Ltd, Its Property/Casualty Subsidiaries and XLIT Ltd.**

**OLDWICK, N.J., August 11, 2017**—A.M. Best has affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of “a+” of the property/casualty subsidiaries of **XL Group Ltd** (XL) (Bermuda) [NYSE: XL]. In addition, A.M. Best has affirmed the Long-Term ICR of “bbb+” and the Long-Term Issue Credit Ratings (Long-Term IR) of **XLIT Ltd.** (Cayman Islands). A.M. Best also has affirmed the Long-Term ICR of “bbb+” of XL. Additionally, A.M. Best has affirmed the Long-Term IR of the preference share issues of **Catlin Insurance Company Ltd.** (Bermuda). The outlooks of these Credit Ratings (ratings) remain stable. (See below for a detailed listing of the companies and ratings.)

A.M. Best also has affirmed the FSR of B++ (Good) and the Long-Term ICR of “bbb+” of **XL Life Ltd** (Bermuda). The outlook of these ratings is stable.

In addition, A.M. Best has affirmed the FSR of A (Excellent) and the Long-Term ICR of “a+” of **Lloyd’s Syndicate 2003** (United Kingdom). The outlook of these ratings is stable. The syndicate’s ratings reflect **Lloyd’s** financial strength, which underpins the security of all Lloyd’s syndicates.

Furthermore, A.M. Best has affirmed the FSR of A- (Excellent) and the Long-Term ICR of “a-” of **T.H.E. Insurance Company** (New Orleans, LA). The outlook of these ratings is positive. The outlooks recognize the positive rating attributes provided by XL as the ultimate parent and owner, including strong financial and operational resources.

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The rating affirmations reflect **XL Bermuda Ltd**'s (XLB) and the organization's excellent risk-adjusted capital, strong global profile in insurance and reinsurance, balanced cycle management and favorable operating earnings trends. XL's management continues to enhance its underwriting capability within its global insurance operations to help deliver solid and stable earnings. The Catlin acquisition in 2015 provided XL with greater scale, a broader product offering and as a result, greater influence in the market. In the depths of a soft market, these attributes can be highly beneficial. In addition, XL places emphasis on innovation to offer new products to its clients globally in an effort to provide solutions and remain relevant. Concurrently, the group continues to enhance its enterprise risk management framework to mitigate downside risk.

Partially offsetting these positive rating factors is XLB's exposure to large severity events and the current soft pricing stage of the underwriting cycle. Additionally, investment returns continue to be muted by low interest rates and financial market variability.

Factors that could lead to an outlook revision or rating upgrade include moderate debt and leverage measures at the ultimate parent level and solid operating results coupled with strong risk-adjusted capitalization.

Factors that could lead to an outlook revision or rating downgrade include negative operating performance trends, not limited to outsized catastrophe losses, accompanied by a significant reduction in risk-adjusted capitalization.

The FSRs of A (Excellent) and the Long-Term ICRs of "a+" have been affirmed with stable outlooks for the following subsidiaries of **XL Group Ltd**:

- **XL Bermuda Ltd**
- **Catlin Indemnity Company**
- **Catlin Insurance Company (UK) Ltd.**
- **Catlin Insurance Company Ltd.**
- **Catlin Insurance Company, Inc.**
- **Catlin Re Switzerland Ltd**
- **Catlin Specialty Insurance Company**
- **Greenwich Insurance Company**

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- **Indian Harbor Insurance Company**
- **XL Insurance America, Inc.**
- **XL Insurance Company SE**
- **XL Insurance Company of New York, Inc.**
- **XL Insurance Switzerland Ltd**
- **XL Re Europe SE**
- **XL Reinsurance America Inc.**
- **XL Seguros Mexico, S.A. de C.V.**
- **XL Select Insurance Company**
- **XL Specialty Insurance Company**

The following Long-Term IRs have been affirmed with stable outlooks:

**XLIT Ltd.—**

- “bbb+” on \$300 million 2.30% senior unsecured notes, due 2018
- “bbb+” on \$400 million 5.75% senior unsecured notes, due 2021
- “bbb+” on \$350 million 6.375% senior unsecured notes, due 2024
- “bbb+” on \$325 million 6.25% senior unsecured notes, due 2027
- “bbb+” on \$300 million 5.25% senior unsecured notes, due 2043
- “bbb” on \$500 million 4.45% subordinated notes, due 2025
- “bbb” on \$500 million 5.5% subordinated notes, due 2045
- “bbb-” on \$350 million Series D non-cumulative preferred securities
- “bbb-” on \$1,000 million Series E non-cumulative preferred securities, redeemable 2017

The following indicative Long-Term IRs have been affirmed on shelf securities, with stable outlooks:

**XLIT Ltd.—**

- “bbb+” on senior unsecured debt
- “bbb” on subordinated debt
- “bbb-” on preferred stock

The following Long-Term IR has been affirmed with a stable outlook for the following securities of

**Catlin Insurance Company Ltd.—**

- “bbb+” on \$600 million preferred stock

**This press release relates to Credit Ratings that have been published on A.M. Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit**

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