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FOR IMMEDIATE RELEASE

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A.M. Best Comments on XL Capital Ltd's Announcement of Preliminary Estimates of Third Quarter 2008 Results

OLDWICK, NEW JERSEY, U.S.A., Oct. 16, 2008—A.M. Best Co. has commented that the financial strength (FSR) and issuer credit ratings (ICR) of **XL Capital Group** (XL Capital) (Bermuda) and its members are unchanged following the recently announced preliminary estimates of third quarter 2008 consolidated results of the holding company, **XL Capital Ltd** (Cayman Islands) [NYSE: XL]. A.M. Best also has commented that the ICR and all debt ratings of XL Capital Ltd are unchanged. (See link below for a detailed listing of the companies and ratings.)

The charge of \$1.4 billion related to the transaction with Syncora Holdings Ltd (f/k/a Security Capital Assurance Ltd.) (Bermuda) [NYSE: SCA] and certain of its subsidiaries had been contemplated in XL Capital's ratings announced by A.M. Best on August 25, 2008. In addition, the level of XL Capital's risk-adjusted capitalization is adequate to absorb the recent increase of approximately \$875 million in net unrealized losses within its investment portfolio, charges of approximately \$275 million for other than temporary impairment in the value of its investment portfolio, as well as underwriting losses largely derived from Hurricanes Gustav and Ike.

While XL Capital continues to de-risk its investment portfolio, it remains exposed to the current credit market situation and the volatility in equity markets and credit spreads on corporate

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investments. Accordingly, A.M. Best will closely monitor any additional effects of capital market dislocations on XL Capital's investment portfolio, as well as any deterioration in its underwriting performance. If any significant unanticipated negative developments arise, A.M. Best will re-evaluate the company's ratings.

For a complete listing of XL Capital Group and XL Capital Ltd's FSRs, ICRs and debt ratings, please visit www.ambest.com/press/101604xlcapital.pdf.

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