



NEWS RELEASE

A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON

FOR IMMEDIATE RELEASE

CONTACTS: Sam Dobbyn
Senior Financial Analyst
+(44) 20 7397 0264
sam.dobbyn@ambest.com

Stefan Holzberger
Managing Director - Analytics
+(44) 20 7397 0288
stefan.holzberger@ambest.com

Chris Sharkey
Business Analyst
+(1) (908) 439-2200, ext. 5159
christopher.sharkey@ambest.com

Jim Peavy
Assistant Vice President, Public Relations
+(1) (908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Briefing: Additional Stress Testing in Light of European Economic Uncertainty

LONDON, 22 November 2011—A.M. Best Co. has performed additional stress tests of the balance sheets of insurers' exposure to eurozone debt as economic conditions within the region continue to worsen. Findings of these evaluations are discussed in the recently published analytical briefing "A.M. Best's Additional Stress Testing in Light of European Economic Uncertainty."

Initial results of the stress testing—performed using A.M. Best's proprietary capital model, Best's Capital Adequacy Ratio (BCAR)—were released in September 2011. The action was prompted by the severe market turbulence during the two months prior. Further weakening of this economic environment holds significant implications for insurers with assets in eurozone countries (particularly Portugal, Italy, Ireland, Greece and Spain) and for those operating in the region.

Although A.M. Best does not forecast a default in Italy—the third-largest bond issuer in the world—there exists a sharp increase in economic uncertainty within the eurozone. A.M. Best continues to monitor these insurers, and companies with outside exposure in relation to their risk-adjusted capital are being evaluated for potential rating actions. Companies that do not stand out as having excess exposure, but still could be negatively affected, are being asked to provide additional information. Companies that appear to have little exposure will be monitored as growth and earnings prospects could be pressured over the near term.

To access this briefing, please visit

www.ambest.com/press/112201BriefingEuropeanInvestmentStress.pdf.

—MORE—



NEWS RELEASE

A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON

—2—

A.M. Best Europe – Rating Services Limited is a subsidiary of A.M. Best Company. Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

Copyright © 2011 by A.M. Best Company, Inc. ALL RIGHTS RESERVED.