



# NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON  
A.M. BEST EUROPE – INFORMATION SERVICES LIMITED, LONDON • A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

## FOR IMMEDIATE RELEASE

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### **A.M. Best Upgrades Ratings of Sirius America Insurance Company**

**OLDWICK, N.J., October 7, 2011**—A.M. Best Co. has upgraded the financial strength rating to A (Excellent) from A- (Excellent) and the issuer credit rating to “a” from “a-” of **Sirius America Insurance Company** (Sirius America) (formerly known as White Mountains Reinsurance Company of America) (New York NY). Additionally, A.M. Best has upgraded the ICR to “bbb” from “bbb-” and debt ratings to “bbb” from “bbb-” on \$400 million 6.375% senior unsecured notes, due in 2017 and to “bb+” from “bb” on \$250 million floating rate preferred non-cumulative securities of **Sirius International Insurance Group, Ltd.** (Sirius International Group) (formerly known as White Mountains Re, Ltd.) (Hamilton, Bermuda). The outlook for all ratings is stable.

Sirius America’s ratings reflect the strategic importance of the U.S. operating company to Sirius International Group, its excellent level of risk-adjusted capitalization and enhanced market profile and risk management strategy as a wholly owned subsidiary of **Sirius International Insurance Corporation (publ)** (Sirius) (Stockholm, Sweden).

In September 2011, **White Mountains Insurance Group Ltd.** (the entire organization’s ultimate parent) announced the reorganization of the reinsurance arm of its business. Regulatory approvals have been received and all reinsurance operating entities will be consolidated under Sirius. Sirius will be the lead operating entity of the Sirius International Group with Sirius America as a wholly owned subsidiary. The reorganization is expected to improve capital and tax efficiency across the group, as well as enhance the diversification of the overall Sirius’ portfolio. Sirius’ regulatory capital is expected to increase as a result of the reorganization.

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As a result of these global strategies, Sirius America has improved its overall performance for the first half of 2011; however, a positive long-term trend has yet to be established. The favorable underwriting results, along with net realized capital gains increased the overall capital for the company. Parental support is provided through capital maintenance and aggregate stop loss agreements. Offsetting these positive rating factors is the volatility in Sirius America’s historical operating performance. In 2010, the company incurred significant losses from the Chilean earthquake.

The principal methodology used in determining these ratings is [Best’s Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilized include: “Risk Management and the Rating Process for Insurance Companies”; “Understanding BCAR for Property/Casualty Insurers”; “Understanding Universal BCAR”; “A.M. Best’s Ratings & the Treatment of Debt”; “Rating Members of Insurance Groups”; and “Natural Catastrophe Stress Test Methodology.” Methodologies can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

**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](http://www.ambest.com).**

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