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Sagicor Life Inc. 'BBB' Financial Strength, Counterparty Credit Ratings Affirmed, Off Watch; Outlook Negative

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- Sagicor's profits were pressured in 2009 as the group recognized part of the impact from the Jamaican debt exchange.
- We are affirming our 'BBB' local currency financial strength and global scale counterparty credit ratings on Sagicor and removing them from CreditWatch, and affirming our 'BBB-' rating on the unsecured debt of Sagicor Finance.
- The outlook is negative.
- We believe the pressure on Sagicor's operating performance continues, given the still challenging economic environment in the Caribbean and the firm's concentration of assets and revenues in Jamaica.

MEXICO CITY (Standard & Poor's) June 16, 2010--Standard & Poor's Ratings Services said today that it affirmed its 'BBB' local currency financial strength and global scale counterparty credit ratings on Sagicor Life Inc. (Sagicor) and removed them from CreditWatch, where they were placed with negative implications on Aug. 14, 2009.

At the same time, we affirmed our 'BBB-' rating on the \$150 million, 10-year senior unsecured obligations of Sagicor Finance Ltd.

The outlook is negative.

"The rating action reflects our belief that Sagicor's operating performance could be under further pressure during 2010 as a result of the still challenging economic environment in the Caribbean and its asset and revenue concentration in Jamaica," said Standard & Poor's credit analyst Alfonso J. Novelo.

The counterparty credit and financial strength ratings reflect Sagicor's dominant market position as the leading life insurer in the Caribbean,

increasing geographic diversification, and strong capitalization.

These positive factors are partially offset by a relatively high, though decreasing, concentration of assets (19%) and revenues (20%) in Jamaica; pressure on profitability ratios derived from the Jamaican debt exchange (JDX) program, which took place on Feb. 24, 2010; and the challenging economic conditions in most of the economies in which Sagicor underwrites its business.

The negative outlook incorporates our expectation that Sagicor's operating performance could come under further pressure given the still challenging economic conditions in the Caribbean and the firm's significant concentration of assets and revenues in Jamaica.

RELATED CRITERIA AND RESEARCH

- "Table Of Contents: Standard & Poor's Insurance Ratings Criteria," June 7, 2010
- "Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy," June 7, 2010

Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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