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A.M. Best Downgrades Ratings of Sagicor Financial Corporation and Its Caribbean Life Insurance Subsidiaries

OLDWICK, NEW JERSEY, U.S.A., July 22, 2010—A.M. Best Co. has downgraded the financial strength rating (FSR) to A- (Excellent) from A (Excellent) and issuer credit ratings (ICR) to “a-” from “a” of **Sagicor Life Inc.** (St. Michael, Barbados) and its operating life insurance subsidiary, **Sagicor Capital Life Insurance Company Limited** (Nassau, Bahamas). A.M. Best also has affirmed the FSRs of A- (Excellent) and ICRs of “a-” of **Sagicor General Insurance Inc.** (Bridgetown, Barbados) and **Sagicor Life Insurance Company** (Sagicor Life USA). The outlook for these ratings is negative.

A.M. Best also has downgraded the FSR to B++ (Good) from A (Excellent) and ICR to “bbb” from “a” of **Sagicor Life Jamaica Limited** (Kingston, Jamaica). The outlook for these ratings has been revised to stable from negative.

Concurrently, A.M. Best has downgraded the ICR to “bbb-” from “bbb” of the ultimate parent, **Sagicor Financial Corporation** (SFC) (Barbados) and its debt rating to “bbb” from “bbb+” on USD 150 million, 7.5% senior unsecured notes, due 2016. SFC is publicly traded on Barbados, Trinidad and London Stock Exchanges. The outlook for these ratings is negative.

The ratings reflect SFC’s continued significant revenue, asset and earnings exposure to the Jamaican economy, which continues to pose ongoing uncertainty for SFC and its lead operating life insurance subsidiaries. The Jamaican risk exposure is highlighted by SFC’s

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controlling interest in Sagicor Life Jamaica Limited, which remains an integral part and a major contributor of earnings to SFC. Despite the recently implemented debt exchange program by the Jamaican government to defuse the potential default risk underlying the government bonds, A.M. Best believes that the risk of Jamaican exposure will continue to linger going forward and may stress SFC's financial results and risk-adjusted capitalization.

Additionally, the downgrades reflect the challenging environment for the financial services industry in the Caribbean and globally.

The ratings continue to acknowledge SFC's positive consolidated earnings performance, strong name recognition in the Caribbean regions, overall more than adequate risk-adjusted capitalization and the operating subsidiaries' access to additional capital sources from SFC.

For Best's Credit Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at www.ambest.com/ratings/methodology.

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