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## FOR IMMEDIATE RELEASE

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### **A.M. Best Revises Outlook to Stable for Sagicor Financial Corporation and Its Subsidiaries**

**OLDWICK, N.J., July 26, 2011**—A.M. Best Co. has revised the outlook to stable from negative and affirmed the financial strength rating (FSR) of A- (Excellent) and issuer credit ratings (ICR) of “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 revised the outlook to stable from negative and affirmed the FSRs of A- (Excellent) and ICR of “a-” of **Sagicor General Insurance Inc.** (Sagicor General) (Bridgetown, Barbados) and **Sagicor Life Insurance Company** (Sagicor Life USA) (Austin, TX).

Additionally, A.M. Best has affirmed the FSR of B++ (Good) and ICR of “bbb” of **Sagicor Life Jamaica Limited** (Kingston, Jamaica). The outlook for these ratings is stable.

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

The revised outlook reflects the group’s satisfactory capitalization, consistent earnings in its life insurance segments and an overall relative improvement in the Jamaican economy, where SFC continues to have significant business and financial exposure through its controlling interest in Sagicor Life Jamaica Limited. A.M. Best believes that the risk of Jamaican exposure remains high, but has been mitigated somewhat by the Jamaican

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government's debt exchange program in 2010 and the overall favorable performance of its Jamaican operations. In addition, during the third quarter of 2011, SFC completed a capital raise of \$140 million through new offerings of common and preference shares, which will be utilized to fund SFC's new growth strategies in the Caribbean while also enhancing its financial strength.

The group's overall consolidated earnings performance, excluding its Lloyds Operation, has been consistently positive. Given its diversified geographical reach in the Caribbean region, the group remains a formidable regional player in its life and property/casualty operations. On a risk-adjusted basis, the group's capitalization remains more than adequate, including the business risk exposure in its Jamaican operations.

Sagicor General is among the largest property/casualty insurers in Barbados and has a significant presence in Trinidad and Tobago, Dominica, St. Lucia, and Antigua. Sagicor General has continued to produce positive overall operating results, which are derived from the company's sound underwriting performance in conjunction with a steady stream of investment income. The company also benefits from the synergies derived as a subsidiary of SFC.

Offsetting factors include the weak economic environment in the Caribbean region and the negative impact of natural catastrophe losses globally, which may pose challenges for the group, despite the recent restructuring of its Lloyds Operation. The increase in year-over-year revenue growth and net income, excluding losses in its Lloyds Operation, has been modest and reflects the challenge of top line growth due to the mature nature of the life insurance market in the Caribbean. A.M. Best believes that the risk of Jamaican exposure going forward may stress SFC's financial results if adverse conditions resume in this market.

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:

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“Risk Management and the Rating Process for Insurance Companies”; “Understanding Universal BCAR”; “A.M. Best’s Ratings & the Treatment of Debt”; “Natural Catastrophe Stress Test Methodology”; “Catastrophe Analysis in A.M. Best Ratings”; “Catastrophe Risk Management Incorporated Within the Rating Analysis”; “Rating Members of Insurance Groups”; “Understanding BCAR for Property/Casualty Insurers”; “Equity Credit for Hybrid Securities”; “and “Assessing Country Risk.” Methodologies can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

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