



NEWS RELEASE

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A.M. Best Affirms Ratings of Generali USA Life Reassurance Company

OLDWICK, NEW JERSEY, U.S.A., June 4, 2009—A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and issuer credit rating of “a” of **Generali USA Life Reassurance Company** (Generali USA) (Kansas City, Missouri). The outlook for both ratings is stable.

Generali USA is the U.S. life reinsurance subsidiary of the multi-national life and non-life insurance writer, **Assicurazioni Generali S.p.A.** (Generali) (Trieste, Italy). Generali USA principally reinsures ordinary life policies written by medium and large-sized U.S. direct writers, and has been able to grow premium income at a steady pace due to retrocession support provided by Generali and its sister company Generali Reassurance (Bermuda) Ltd. (Generali Bermuda).

The rating reflects the solid risk-adjusted capitalization of Generali USA, its profitable operations, continued growth in the U.S. life reinsurance market and the stability of the company’s investment portfolio. Generali USA is a well regarded industry participant and continues to increase its ordinary life line of business despite the contraction of life insurance sales and consolidation within the life reinsurance marketplace. The company has been able to win new ordinary life accounts while retaining most existing relationships. As a result, the company currently enjoys a solid mid-market position as a reinsurer. The retrocession support provided by Generali also benefits the ratings.

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Partially offsetting these factors are the challenges associated with profitable growth in a highly competitive life reinsurance market that has experienced a sharp decline in business ceded in recent years, the relatively modest scale of Generali USA as measured by life-in-force compared to the leading life reinsurers in the U.S., and the lackluster statutory profitability resulting from goodwill amortization and new business strain. However, GAAP results for Generali U.S. Holdings, which include the operations of Generali Bermuda, are positive and meet parental expectations.

For Best's 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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