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## FOR IMMEDIATE RELEASE

**CONTACTS: Mathilde Jakobsen**  
**Director, Analytics**  
**+44 20 7397 0266**  
[mathilde.jakobsen@ambest.com](mailto:mathilde.jakobsen@ambest.com)

**Dan Teclaw**  
**Senior Financial Analyst**  
**+1 908 439 2200, ext. 5394**  
[dan.teclaw@ambest.com](mailto:dan.teclaw@ambest.com)

**Christopher Sharkey**  
**Manager, Public Relations**  
**+1 908 439 2200, ext. 5159**  
[christopher.sharkey@ambest.com](mailto:christopher.sharkey@ambest.com)

**Jim Peavy**  
**Director, Public Relations**  
**+1 908 439 2200, ext. 5644**  
[james.peavy@ambest.com](mailto:james.peavy@ambest.com)

### **A.M. Best Upgrades Issuer Credit Ratings of QBE Insurance Group Limited and Its Key Subsidiaries**

**LONDON, 13 July 2017**—A.M. Best has upgraded the Long-Term Issuer Credit Ratings (Long-Term ICR) to “a+” from “a” and affirmed the Financial Strength Rating (FSR) of A (Excellent) of **QBE Insurance (Europe) Limited** (United Kingdom), **QBE Re (Europe) Limited** (United Kingdom), **QBE Insurance (International) Pty Limited** (Australia) (QII) and the pooled members of **QBE North America Insurance Group**. These companies are key operating subsidiaries of **QBE Insurance Group Limited** (QBE) (Australia), the non-operating holding company of the QBE group of companies. Additionally, A.M. Best has affirmed the FSR of A- (Excellent) and the Long-Term ICR of “a-” of **QBE Seguros**, QBE’s Puerto Rico subsidiary and a part of its Latin American operations. At the same time, A.M. Best has upgraded the Long-Term ICR to “bbb+” from “bbb” of QBE. The outlook of these Credit Ratings (ratings) remains stable. Concurrently, A.M. Best has withdrawn the ratings of QII in response to the company’s request for this entity to no longer participate in A.M. Best’s interactive rating process.

The upgrades of the Long-Term ICRs reflect QBE’s consistently good technical performance and solid business profile, as well as the stabilisation of its risk-adjusted capitalisation at a strong level. The group’s risk-adjusted capitalisation improved to a level commensurate with the higher rating level, following a series of capital actions carried out in 2014 and 2015, which included the raising of equity, the refinancing of debt and the sale of non-core assets. In spite of the announced intention to buy back shares of up to AUD 333 million a year over the

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—2—

next three years, A.M. Best expects QBE’s consolidated risk-adjusted capitalisation to remain at a strong level, supported by robust operating earnings.

QBE benefits from a track record of good technical performance, as demonstrated by a five-year average combined ratio of 96% (2012-2016). The group reported operating profits in each of the past five years, with the exception of 2013. The group’s good performance track record is supported by its solid business profile, focus on enforcing underwriting discipline and stable investment earnings. For 2016, a combined ratio of 92% (as calculated by A.M. Best) was reported, reflecting solid underwriting results across all of QBE’s operational divisions and in spite of challenging conditions in its core markets. In June 2017, the group revised its technical performance expectation for the year to a combined ratio of 94.5-96% from 93.5-95%, to take into account the impact of higher claims activity in its Emerging Markets division. This revised forecast remains within A.M. Best’s expectation.

The Long-Term ICRs have been upgraded to “a+” from “a” and the FSR of A (Excellent) has been affirmed, both with a stable outlook for the following pooled members of **QBE North America Insurance**

**Group:**

- **General Casualty Company of Wisconsin**
- **General Casualty Insurance Company**
- **Hoosier Insurance Company**
- **National Farmers Union Property and Casualty Company**
- **NAU Country Insurance Company**
- **North Pointe Insurance Company**
- **Praetorian Insurance Company**
- **QBE Insurance Corporation**
- **QBE Reinsurance Corporation**
- **QBE Specialty Insurance Company**
- **Regent Insurance Company**
- **Southern Fire & Casualty Company**
- **Southern Pilot Insurance Company**
- **Stonington Insurance Company**
- **Unigard Indemnity Company**
- **Unigard Insurance Company**

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—3—

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