

Press Release - JULY 09, 2010

A.M. Best Affirms Rating of MS Frontier Reinsurance Ltd

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FOR IMMEDIATE RELEASE

OLDWICK, N.J., JULY 09, 2010

A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and issuer credit rating of "a+" of **MS Frontier Reinsurance Ltd** (MS Frontier) (Hamilton, Bermuda). The outlook for both ratings is stable. MS Frontier is a wholly owned subsidiary of **Mitsui Sumitomo Insurance Company, Limited** (MSI) (Tokyo, Japan). MSI also is a subsidiary of **MS&AD Insurance Group Holdings, Inc.** (MS&AD).

The ratings reflect MS Frontier's continued excellent underwriting performance in recent years along with ratings enhancement from the global presence, financial support and balance sheet strength of its ultimate parent, MS&AD. In addition, MS Frontier maintains a very strong level of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio model. MS Frontier continues to be a strategic insurance vehicle for its parent, designed to be a part of the group's geographical portfolio optimization, risk diversification and overseas business expansion.

Partially offsetting risk factors include MS Frontier's exposure to low frequency, high severity events, which could significantly reduce capital given the company's main focus on property catastrophe reinsurance. In addition, the current property catastrophe pricing environment is competitive, which could have a dampening effect on the company's profitability if prices continue to deteriorate.

For Best's Credit Ratings, an overview of the rating process and rating methodologies, please visit [Best's Ratings & Analysis](#).

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at [Best's Credit Rating Methodology](#).

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