



## A.M. Best Rates RenaissanceRe's \$500 Million Shelf Registration of Mixed Securities

February 27, 2002

OLDWICK, N.J., Feb 27, 2002 (BUSINESS WIRE) -- A.M. Best Co. has extended indicative ratings of "a" to senior unsecured debt, "a-" to subordinated debt and "bbb" to preferred stock for RenaissanceRe Holdings Ltd.'s (NYSE: RNR), Bermuda, recently filed \$500 million shelf registration.

This increases availability under shelf registration to \$564.3 million. Also, A.M. Best has assigned an indicative rating of "bbb+" to RenaissanceRe Capital Trust's trust preferred securities, which is part of the same registration. The existing debt ratings are affirmed, while the financial strength ratings assigned to the group's operating companies remain unaffected.

The net proceeds from the sale of any of these securities may be used by RenaissanceRe for general corporate purposes to provide working capital and to support capital expenditures and potential acquisitions. As of December 2001, RenaissanceRe's financial leverage--debt as a percent of total adjusted capital--was 12.4%, and its 2001 financial performance resulted in a fixed charge coverage of 12 times. A.M. Best expects that as the company issues any of the securities provided for in this shelf registration, it will manage the financial leverage to a range no greater than the low to mid 20% level while maintaining common equity of at least 65% of total capital and continuing to achieve a fixed charge coverage in the mid single digit range or higher.

A.M. Best's ratings reflect RenaissanceRe's consistently strong earnings trends, superior risk management capabilities, experienced management team, strong capital position and its recognized leadership position in the worldwide property catastrophe reinsurance market. RenaissanceRe's recent earnings release reflected operating income of \$164 million in 2001 despite a \$48 million charge related to the September 11 attacks. Additionally, through operating income and the issuance of common and preferred securities, RenaissanceRe increased its total capital by 63% in 2001. As such, A.M. Best believes the company--which has forecasted a return on equity of greater than 20% for 2002--is well positioned to take advantage of the significant rate hardening in the reinsurance marketplace and will continue to generate superior operating results relative to its peers.

RenaissanceRe Holdings Ltd., is a holding company, which through Renaissance Reinsurance Ltd., operates as a property catastrophe reinsurer on a worldwide basis. As of December 2001, the holding company reported assets of \$2.2 billion and shareholders' equity of \$1.2 billion.

The following indicative ratings are extended to debt securities available under shelf registration:

- RenaissanceRe Holdings Ltd.--
  - "a" rating on senior unsecured debt
  - "a-" rating on subordinated debt
  - "bbb" rating on preferred stock
- RenaissanceRe Capital Trust --
  - "bbb+" rating on trust preferred securities

The following debt ratings are affirmed:

- RenaissanceRe Holdings Ltd.--
  - "a" rating on \$150 million 7.00% senior unsecured notes, due 2008
  - "bbb" rating on \$150 million 8.10% Series A preferred shares
- RenaissanceRe Capital Trust --
  - "bbb+" rating on 8.54% Guaranteed Preferred Trust Securities, due 2027

A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best's Web site at [www.ambest.com](http://www.ambest.com).

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