



26 November 2003

FAX: 1 ~~300 300 021~~ ^{900 999 219}

Manager - Company Announcements
Australian Stock Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

QBE INSURANCE GROUP LIMITED
ABN 28 008 485 014
82 Pitt Street
Sydney NSW 2000
Australia
Postal Address
Box 82 GPO
Sydney NSW 2001
Telephone: (02) 9375 4444
International: 61 2 9375 4444
Facsimile: (02) 9231 8104
DX: 10171 Sydney Stock Exchange

AUSTRALIAN STOCK EXCHANGE



QBE000384

Dear Sir/Madam,

AM BEST AFFIRMS RATING OF QBE RE GROUP – US

Attached for the market's information is a copy of news release from AM Best confirming the rating of QBE's US group of companies as A (Excellent) with a stable rating outlook.

In order to support growth in gross premium income from QBE's US operations, up 16% in 2003 to approximately US\$890 million, and expected increase in 2004, up 29% to US\$1,150 million, further capital of US\$75 million will be provided by the QBE Group. This will be funded from the proceeds of the US\$250 million subordinated debt raised in June 2003.

Yours faithfully,

Duncan Ramsay
Company Secretary

Press Release - NOVEMBER 25, 2003

A.M. Best Affirms Rating of QBE Re Group - U.S.

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CONTACTS: Public Relations Analyst(s)
Jim Peavy Robert DeRose
(908) 439-2200, ext. 5644 (908) 439-2200, ext. 5453
james.peavy@ambest.com robert.derose@ambest.com

Rachelle Striegel Keith Lennox
(908) 439-2200, ext. 5378 (908) 439-2200, ext. 5062
rachelle.striegel@ambest.com keith.lennox@ambest.com

FOR IMMEDIATE RELEASE

OLDWICK, N.J., NOVEMBER 25, 2003

A.M. Best Co. has affirmed the financial strength rating of A (Excellent) of **QBE Re Group - U.S. (QBE)** (New York, NY). This rating applies to **QBE Reinsurance Corporation** (Philadelphia, PA) and its subsidiaries, **QBE Insurance Corporation** (Philadelphia, PA) and **QBE Specialty Insurance Company** (Bismarck, ND). The rating outlook is stable.

The rating reflects the group's strong risk-adjusted capital position, enhanced underwriting controls and improved operating performance over the past two years. Furthermore, the rating reflects the group's diversified risk portfolio and ability to generate business opportunities through its niche market strategy.

The group is the U.S. operating platform within **QBE Insurance Group Limited**, which is one of Australia's largest insurance/reinsurance organizations. A.M. Best's view of the U.S. group's capital considers \$75 million of contributions that will be received from its parent, prior to the end of 2003.

Offsetting these strengths is the greater uncertainty with respect to QBE's more aggressive recent growth in gross and net premium volume within specialty classes of business, underwritten through managing general agents (MGAs). Mitigating this concern is the group's commitment to maintaining pricing adequacy and prudent underwriting controls over its MGA produced business. Additionally, management has limited the group's net exposure from a single catastrophic event to \$12 million, which is less than 5% of policyholders' surplus.

A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source.

For more information about companies highlighted in this report click on the following links:

[QBE Insurance Corporation](#)
[QBE Re Group - US](#)
[QBE Reinsurance Corporation](#)
[QBE Specialty Insurance Company](#)

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