

## Various Ratings Actions Taken On European Insurers Following Recent Sovereign Rating Actions

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OVERVIEW

- On Jan. 13, 2012, we lowered the ratings on nine and affirmed the ratings on seven of the 17 eurozone member governments. We removed all sovereign ratings from CreditWatch negative.
- As a result, we are lowering the ratings on Mapfre Group, Millenniumbcp-Ageas Group, and Allianz SpA by two notches; and Caisse Centrale de Reassurance (CCR) and Nacional de Reaseguros S.A. (Nacional) by one notch. We are removing these ratings from CreditWatch negative.
- We are also lowering the ratings Cattolica, Generali (except for Deutsche Bausparkasse Badenia AG), and Unipol by one notch. We are keeping them on CreditWatch negative, except for Generali USA Life Reassurance Co., which has a stable outlook.
- Finally, we are affirming the ratings on five Irish operating insurers and two Slovenian operating insurers.

LONDON (Standard & Poor's) Jan. 17, 2012--Standard & Poor's Ratings Services today lowered its ratings on the following insurers (and certain related operating subsidiaries and certain holding companies) and removed them from CreditWatch with negative implications (where they were placed on Dec. 9, 2011):

- Allianz SpA,
- Caisse Centrale de Reassurance (CCR),
- Mapfre Group,
- Millenniumbcp-Ageas Group, and
- Nacional de Reaseguros S.A. (Nacional).

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We lowered the ratings on Allianz SpA, Mapfre Group, and Millenniumbcp-Ageas Group by two notches and CCR and Nacional by one notch. The outlooks are negative.

We lowered the ratings on the following insurers (and certain related operating subsidiaries and certain holding companies) by one notch and kept them on CreditWatch negative:

- Societa Cattolica di Assicurazione (Cattolica),
- Generali Group, and
- Unipol Group.

We affirmed the ratings on the following insurers and removed them from CreditWatch. The outlooks are negative:

- Allianz PLC,
- Aviva Insurance (Europe) SE,
- AXA Insurance Ltd.,
- Irish Public Bodies Mutual Insurances Ltd. (IPB),
- RSA Insurance Ireland Ltd. (RSA Ireland),
- Pozavarovalnica Sava d.d., and
- Triglav Group.

We have not yet completed our review of the effect of the sovereign actions on Allianz Group, Aviva Group, Axa Group, and CNP Group and have therefore not taken any rating action on these groups today.

The rating actions follow our recent sovereign rating actions: we lowered our ratings on nine of the 17 eurozone member countries and affirmed our ratings on a further seven eurozone countries. We also removed the sovereign ratings from CreditWatch negative (see "Standard & Poor's Takes Various Rating Actions On 16 Eurozone Sovereign Governments," published on Jan. 13, 2012).

The bias of our insurance ratings in the eurozone and Europe as a whole remains negative. Of our ratings, approximately 30% have negative outlooks or are on CreditWatch with negative implications, 64% have stable outlooks, and 6% positive outlooks or are on CreditWatch with positive implications.

Our recent commentary "European Insurance Credit Trends: Third-Quarter 2011 Market Movements Take Their Toll On Insurers' Capital Adequacy," published on Nov. 4, 2011, explained the factors underpinning our views. Our more-recent negative update to Europe's economic growth prospects (see "European Economic Outlook: Back In Recession," Dec. 1, 2011) and the heightened credit risk reflected in our Jan. 13, 2012 sovereign actions only serve to compound the difficulties that insurers face. In our view, these factors are likely to result in predominantly negative rating actions over the medium term.

Our rating actions can be categorized according to the criteria used in taking the action.

GOVERNMENT-RELATED ENTITIES IN FRANCE AND SLOVENIA

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We lowered the long-term ratings on France-based CCR by one notch under our government-related entities criteria (see "Rating Government-Related Entities: Methodology And Assumptions," Dec. 9, 2010). The outlook is negative. We affirmed the ratings on Slovenia-based Triglav Group and SAVA with a negative outlook. In our opinion, the likelihood of timely and sufficient extraordinary government support in the event of financial distress is "almost certain" in the case of CCR, "high" in the case of Triglav Group, and "moderately high" in the case of SAVA.

### DOMESTIC INSURERS IN PORTUGAL, SPAIN, AND ITALY

We lowered ratings on Portugal-based Millenniumbcp-Ageas Group and Spain-based Mapfre Group by two notches. The outlooks on Mapfre's U.S. subsidiaries are stable; all others are negative. We lowered the ratings on Italy-based Unipol Group and Cattolica and Spain-based Nacional by one notch. The ratings on Unipol remain on CreditWatch, following Unipol's announcement of its intention to initially acquire 51.287% shares in Premafin HP SpA, Fondiaria-SAI SpA's holding company, and ultimately merge it with Fondiaria-SAI SpA, Milano Assicurazioni SpA, and Unipol Assicurazioni SpA (see "Italy-Based Insurance Group Unipol Downgraded And Kept On CreditWatch Neg Following Sovereign Downgrade And Merger Plans," published today). The ratings on Cattolica remain on CreditWatch negative pending a more detailed review of its capital adequacy.

These ratings are at the same level as the local sovereign--they are constrained under our insurer country risk criteria (see "Criteria Update: Factoring Country Risk Into Insurer Financial Strength Ratings", Feb. 11, 2003). Our criteria use the local currency sovereign rating as a proxy for country risk. The local currency sovereign rating limits the ratings on these companies, either because their assets include material amounts of domestic sovereign debt, domestic bank debt, or domestic bank deposits, or because they have a largely domestic customer base.

The ratings on Italy-based Allianz SpA were lowered by two notches. The ratings are not constrained at the Italian local currency sovereign rating level under our criteria "Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions," published on June 14, 2011. However, under these criteria, we cap our ratings on "core" insurance subsidiaries with 10% exposure or higher to the jurisdiction of domicile at three notches above our rating on the related sovereign.

### DOMESTIC INSURERS IN IRELAND

The ratings on Ireland-based Allianz PLC, RSA Ireland, AXA Insurance Ltd., Aviva Insurance (Europe) SE, and IPB were affirmed and remain at the same level as the local sovereign, where they are constrained under our insurer country risk criteria.

### INSURERS THAT OPERATE ACROSS THE EUROZONE OR HAVE A HIGH LEVEL OF EXPOSURE TO EUROZONE RISKS

The ratings on Generali were lowered by one notch and remain on CreditWatch negative, except for Generali USA Life Reassurance Co., which has a stable

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outlook, and Generali's Germany-based bank, Deutsche Bausparkasse Badenia AG, which is remaining on CreditWatch negative with no change to the rating. Because of Generali's diverse businesses in higher-rated eurozone sovereign countries, the ratings on Generali may be up to three notches above the Italian local currency sovereign rating, which would otherwise constrain it under our June 14, 2011 criteria. Thus, when we lowered the sovereign rating by two notches, we lowered the rating on Generali by one notch. The rating remains on CreditWatch because we could lower it by a further notch to reflect the aggregate effects of exposure to eurozone sovereign debt, related bank debt and deposits, the resulting potential impact on capital adequacy (which is already stretched), and the impact of the expected slowdown in economic activity in the eurozone. We expect to complete our review of the impact of these risk factors on Generali's ratings within the next four weeks.

Certain other European insurance groups (Allianz, Axa, Aviva, and CNP) are also exposed to the aggregate effects of these risk factors, like Generali. We are still reviewing the impact of these risk factors on these groups and have therefore not taken any rating action on them today. We took action on Generali because our criteria implied a direct rating action as a result of the sovereign actions, but no such implication applies to Allianz, Axa, Aviva, and CNP. We could, however, lower the ratings on these insurers by one notch.

The rating actions we have taken today, in their turn, affect certain holding companies, "core," and "strategically important" operating subsidiaries, as well as certain short-term ratings and issue ratings on these insurers.

We expect to resolve the remaining CreditWatch actions within four weeks (except for Unipol, which may be up to three months). Upon resolution, individual ratings may be lowered by one notch or may be affirmed, except for Unipol and Cattolica, where there is additional downside risk.

### RATINGS LIST

#### CreditWatch/Outlook Action

	To	From
Allianz SpA		
Counterparty Credit Rating	A+/Negative/--	AA/Watch Neg/--
Allianz PLC		
Counterparty Credit Rating	BBB+/Negative/--	BBB+/Watch Neg/--
Aviva Insurance (Europe) SE		
Counterparty Credit Rating	BBB+/Negative/--	BBB+/Watch Neg/--
AXA Insurance Ltd.		
Counterparty Credit Rating	BBB+/Negative/--	BBB+/Watch Neg/--
CCR		
Caisse Centrale de Reassurance		
Counterparty Credit Rating	AA+/Negative/--	AAA/Watch Neg/--

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GENERALI GROUP

Assicurazioni Generali SpA

Alleanza Toro S.p.A

Generali (U.S. branch)

AachenMuenchener Lebensversicherung AG

AachenMuenchener Versicherung AG

Advocard Rechtsschutzversicherung AG

Central Krankenversicherung AG

Cosmos Lebensversicherungs AG

Cosmos Versicherung AG

Envivas Krankenversicherung AG

Generali Deutschland Pensionskasse AG

Generali Lebensversicherung AG

Generali Versicherung AG (Germany)

Generali Versicherung AG (Austria)

Generali IARD

Generali Vie

INA ASSITALIA SpA

Counterparty Credit Rating	A+/Watch Neg/--	AA-/Watch Neg/--
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Generali Holding Vienna AG

Generali Rueckversicherung AG

Counterparty Credit Rating	A-/Watch Neg/--	A/Watch Neg/--
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Deutsche Bausparkasse Badenia AG

Counterparty Credit Rating	A/Watch Neg/A-1	A/Watch Neg/A-1
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Ceska pojistovna a.s.

Counterparty Credit Rating	A/Watch Neg/--	A+/Watch Neg/--
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Generali USA Life Reassurance Co.

Counterparty Credit Rating	A/Stable/--	A+/Watch Neg/--
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IRISH PUBLIC BODIES

Irish Public Bodies Mutual Insurances Ltd.

Counterparty Credit Rating	BBB+/Negative/--	BBB+/Watch Neg/--
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MAPFRE GROUP

Mapfre S.A.

Counterparty Credit Rating	BBB+/Negative/--	A/Watch Neg/--
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Mapfre Global Risks, Compania Internacional de Seguros y Reaseguros S.A.

Mapfre Re, Compania de Reaseguros, S.A.

Counterparty Credit Rating	A/Negative/--	AA-/Watch Neg/--
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Mapfre U.S.A. Corp.

Counterparty Credit Rating	BBB-/Stable/--	BBB+/Watch Neg/--
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Citation Insurance Co. (MA)		
Commerce Insurance Co.		
Counterparty Credit Rating	A-/Stable/--	A+/Watch Neg/--
MILLENNIUMBCP-AGEAS GROUP		
Occidental Companhia Portuguesa de Seguros de Vida S.A.		
Occidental Companhia Portuguesa de Seguros S.A.		
Medis Companhia Portuguesa de Seguros de Saude, S.A.		
Counterparty Credit Rating	BB/Negative/--	BBB-/Watch Neg/--
NACIONAL		
Nacional de Reaseguros S.A.		
Counterparty Credit Rating	A/Negative/--	A+/Watch Neg/--
SAVA		
Pozavarovalnica Sava d.d.		
Counterparty Credit Rating	A-/Negative/--	A-/Watch Neg/--
RSA IRELAND		
RSA Insurance Ireland Ltd.		
Counterparty Credit Rating	BBB+/Negative/--	BBB+/Watch Neg/--
CATTOLICA		
Societa Cattolica di Assicurazione		
Counterparty Credit Rating	BBB+/Watch Neg/--	A-/Watch Neg/--
TRIGLAV GROUP		
Triglav Insurance Co. Ltd.		
Triglav Re, Reinsurance Co. Ltd.		
Counterparty Credit Rating	A/Negative/--	A/Watch Neg/--
UNIPOL GROUP		
Unipol Assicurazioni SpA		
Counterparty Credit Rating	BBB+/Watch Neg/--	A-/Watch Neg/--
Unipol Gruppo Finanziario SpA		
Counterparty Credit Rating	BBB-/Watch Neg/--	BBB/Watch Neg/--

N.B. This list does not include all ratings affected.

RELATED CRITERIA AND RESEARCH

- Special Report: Standard & Poor's Actions On Eurozone Sovereigns, Jan. 17, 2012
- Special Report: Eurozone Governments Placed On CreditWatch, Dec. 22, 2011
- Various European Insurers Placed On CreditWatch Negative Following Recent Sovereign Rating Actions, Dec. 9, 2011
- European Economic Outlook: Back In Recession, Dec. 1, 2011
- European Insurance Credit Trends: Third-Quarter 2011 Market Movements

## *Various Ratings Actions Taken On European Insurers Following Recent Sovereign Rating Actions*

Take Their Toll On Insurers' Capital Adequacy, Nov. 4, 2011

- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Group Methodology, April 22, 2009
- Interactive Ratings Methodology, April 22, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Criteria Update: Factoring Country Risk Into Insurer Financial Strength Ratings, Feb. 11, 2003

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