

SOVEREIGN RISK APPOINTS CHIEF UNDERWRITING OFFICER

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HAMILTON, Bermuda, October 9, 1997 - Sovereign Risk Insurance Ltd., the Bermuda-based political risk underwriting agency formed as a joint venture between ACE Limited (NYSE:ACL) and EXEL Limited (NYSE:XL), has announced that Leigh Hollywood has been hired as Chief Underwriting Officer.

Mr. Hollywood, 57, has over two decades' experience in political risk underwriting. From 1988 to 1997, Mr. Hollywood was the senior underwriter at the World Bank's Multilateral Investment Guarantee Agency (MIGA). As MIGA's first employee, Mr. Hollywood was instrumental in building MIGA into one of the world's preeminent political risk insurance agencies.

MIGA was founded by the World Bank in 1988 to encourage private sector investment into developing nations.

Prior to his 10 year tenure at MIGA, Mr. Hollywood served for 11 years as an investment underwriter with the Overseas Private Investment Corporation (OPIC), the U.S. Government's political risk agency which insures U.S. corporate investment in developing nations.

"We are delighted to have Leigh come on board as our Chief Underwriting Officer," said Sovereign Risk President and Chief Executive Officer Price Lowenstein. "He brings tremendous depth, experience and capability to our team and will be extremely helpful in positioning us for the strong growth we anticipate."

Sovereign Risk Insurance Ltd. was formed in April, 1997 to underwrite political risks on behalf of ACE Insurance Company, Ltd. (ACE), X.L. Insurance Company, Ltd. (XL) and Risk Capital Reinsurance Company (RCRe). Sovereign is owned 40.5% by ACE, 40.5% by XL, 9% by RC Re and 10% by Sovereign employees.