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For Immediate Release

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SOVEREIGN RISK HIRES NEW SENIOR UNDERWRITER

HAMILTON, Bermuda, April 16, 2001 - Sovereign Risk Insurance Ltd., (Sovereign) has announced that Nila Davda has joined Sovereign as Vice President and Senior Underwriting Officer.

Ms. Davda comes to Sovereign from the World Bank's International Finance Corporation (IFC), where she was a senior syndication officer in IFC's Syndication and International Securities Group. Her primary responsibilities included arranging funding with financial institutions worldwide for IFC projects under its B loan program. Prior to joining the IFC in 1996, Ms. Davda worked at the World Bank's Multilateral Investment Guarantee Agency (MIGA) as a political risk underwriter covering investment-related transactions in emerging markets.

"We are delighted to have Nila come on board as our Senior Underwriting Officer," said Sovereign's President and CEO Price Lowenstein. "She brings to Sovereign a tremendous amount of knowledge and experience in international finance, syndicated loan structures and political risk underwriting. Nila will be an integral part of our efforts to better meet the needs of our commercial banking, ECA and multilateral agency clients for innovative political risk insurance solutions in emerging markets."

Bermuda-based Sovereign is one of the world's leading providers of political risk insurance and reinsurance to financial institutions, national export credit agencies, multilateral developmental agencies and global equity investors. Sovereign has the ability to issue political risk insurance policies for amounts up to \$125 million and for periods up to 15 years. Sovereign is a 50-50 joint venture between ACE Bermuda Insurance Ltd., a wholly owned subsidiary of ACE Limited (NYSE: ACE) and XL Insurance Ltd, a wholly owned subsidiary of XL Capital Ltd (NYSE: XL). More information can be found on Sovereign's website: www.sovereignbermuda.com.
