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For Immediate Release

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SOVEREIGN ANNOUNCES ITS ELECTION TO THE BERNE UNION

HAMILTON, Bermuda, September 28, 2001- Sovereign Risk Insurance Ltd. (Sovereign) today announced its election to the International Union of Credit and Investment Insurers (the Berne Union). Sovereign's application for membership was approved at the Berne Union's annual meeting in Biarritz, France on September 19. The Berne Union has a total of fifty-one members from forty-two countries and locations. Sovereign is one of only three private sector political risk insurers to become eligible for, and be approved, as a member in the Berne Union.

Mr. Anne Van't Veer, the Berne Union's General- Secretary commented that "I am very pleased that Sovereign's application for membership was overwhelmingly approved. I think it is important to have leading private insurers like Sovereign become members of the Berne Union. We look forward to working with Sovereign to further increase cooperation between public and private political risk insurers."

Price Lowenstein, Sovereign's President and CEO added: "We are honored to be elected to this prestigious group of national agencies and private political risk insurers. We look forward to further cooperation with fellow members and to continuing Sovereign's support for trade and investment flows into emerging markets."

Sovereign is a specialized political risk insurer and reinsurer based in Bermuda. Sovereign's portfolio exceeds US\$5 billion of exposure spread over 60 emerging markets. Sovereign's clients include financial institutions, national export credit agencies, multilateral institutions and multinational corporations. Sovereign is a 50-50 joint venture between XL Insurance Ltd, a wholly-owned subsidiary of XL Capital Ltd (NYSE: XL), and ACE Bermuda Insurance Ltd., a wholly-owned subsidiary of ACE Limited (NYSE: ACL). Additional information is available on Sovereign's website: www.sovereignbermuda.com.
