

CORPORATE NEWS RELEASE

Media Contact: Price Lowenstein
441296-4279

SOVEREIGN RISK HIRES SENIOR UNDERWRITING OFFICER

HAMILTON, Bermuda, July 9, 1999 - Sovereign Risk Insurance Ltd., the Bermuda-based political risk underwriting agency formed as a joint venture between ACE Limited (NYSE: ACL) and XL Capital Ltd (NYSE: XL), has announced that Christina Westholm-Schröder has been hired as Vice President and Senior Underwriting Officer.

Ms. Westholm-Schröder, 41, joins Sovereign from the World Bank's Multilateral Investment Guarantee Agency (MIGA). Ms. Westholm-Schröder joined NUGA as one of its first employees in 1988, and has worked in several capacities, including Regional Manager for Asia and Latin America and most recently as Manager for Syndications and Business Development. During her career at MIGA, Ms. Westholm-Schröder has been closely involved in drafting and coordinating MIGA's underwriting policies. She has been responsible for the Agency's reinsurance arrangements, and she pioneered MIGA's Cooperative Underwriting Program. MIGA was founded in 1988 to encourage private sector investment into developing nations.

Prior to her 11 years at NfiGA, Ms. Westholm-Schröder worked as a political risk insurance broker in the Bank of America's Global Trade Finance Department in New York and as Manager in the Political Risk Department at AB Max Matthiessen in Stockholm, Sweden.

---We are delighted to have Christina come on board as our Senior Underwriting Officer" said Sovereign Risk President and CEO Price Lowenstein. "She brings to Sovereign a tremendous amount of knowledge and experience in political risk underwriting and international finance. Christina will be an integral part of our efforts to develop new products to meet our clients, demands for innovative political risk insurance solutions and to continue the rapid expansion of our business as we start our third year of operations."

Sovereign Risk Insurance Ltd. was formed in April 1997 to underwrite political risks on behalf of ACE Bermuda Ltd. and XL Insurance Ltd.

The ACE Group of Companies provides insurance and reinsurance for a diverse group of international clients. At March 31, 1999, ACE Limited had approximately \$8.9 billion in assets and approximately \$4.0 billion in shareholders' equity. Following the acquisition of CIGNA's P&C businesses on July 2, 1999, operating subsidiaries are now based in nearly fifty countries and the total assets of the combined companies are approximately \$30 billion.

XL Capital Ltd, *through* its subsidiaries, is a leading provider of insurance and reinsurance coverages and financial products to industrial, commercial and professional service firms, insurance companies and other enterprises on a worldwide basis. As of May 31, 1999, XL Capital Ltd had consolidated assets of \$10.8 billion and consolidated shareholders' equity of \$4.9 billion. Following the June 18 completion of its merger with NAC Re Corp., XL had assets of approximately \$14.1 billion and shareholders' equity of approximately \$5.6 billion. Additional information is available from the XL Capital web site: www.xl-capital.com.