

NEWS RELEASE

IMMEDIATE

Contact: Stephen Finch, +44-207-067-0705, sfinch@webershandwick.com
Courtney Franson, 1-212-478-3463, courtney.franson@xlgroup.com

**XL CAPITAL ASSURANCE (U.K.) LIMITED PROVIDES TRIPLE-A
FINANCIAL GUARANTIES FOR SWISS RE SPONSORED SECURITIZATION**

London, January 4, 2006 – XL Capital Assurance (U.K.) Limited (XLCA-UK) today announced that it has issued two triple-A rated financial guaranties for two tranches of a \$370 million embedded value securitization – the securitization of future profits generated by a portfolio of U.S. life insurance policies – for a Swiss Reinsurance Company (Swiss Re) sponsored transaction.

The transaction, the first time Swiss Re has worked in partnership with a monoline financial guarantor in its embedded value securitizations, is comprised of four of Swiss Re's US-based life insurance portfolios that are reinsured from Swiss Re to newly created ALPS Capital II plc. Swiss Re acquired these portfolios through its AdminRe business.

ALPS Capital II plc issued four separate series of notes – Series A (\$220 million), Series B (\$90 million), Series C (\$30 million) and Series D (\$30 million). The notes have a 20 year legal final maturity. XLCA-UK provided two triple-A financial guaranties on the Series A and Series B Notes, with an average life of 2.3 years and 6.6 years, respectively.

Commenting on the deal, David D. Stortz, XLCA managing director and head of the Specialized Risk group, said, "XLCA is delighted to have been chosen by Swiss Re to provide enhancement for this insurance risk securitization. Swiss Re has a reputation for innovation and leadership in this market and we appreciate the opportunity to add our expertise and triple-A financial strength to the transaction."

About XL Capital Assurance (U.K.) Limited

XL Capital Assurance (U.K.) Limited is a wholly owned subsidiary of XL Capital Assurance Inc. (XLCA). XLCA, rated triple-A by Moody's Investors Service, Inc., Standard & Poor's Inc., and Fitch Inc., is a top five monoline financial guaranty company focused on global infrastructure, power & utilities, U.S. public finance, consumer and commercial asset securitization, and structured investment products. XLCA is an indirect, wholly owned subsidiary of XL Capital Ltd (NYSE: XL), which, through its operating subsidiaries, is a leading provider of insurance and reinsurance coverages and financial products and services to industrial, commercial and professional service firms, insurance companies and other enterprises on a worldwide basis. For more information, please visit www.xlca.com.