



NEWS RELEASE

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FOR IMMEDIATE RELEASE

CONTACTS: Analysts

Greg Reisner
(908) 439-2200, ext. 5224
greg.reisner@ambest.com

Mark Murray
(908) 439-2200, ext. 5126
mark.murray@ambest.com

Public Relations

Rachelle Morrow
(908) 439-2200, ext. 5378
rachelle.morrow@ambest.com

Jim Peavy
(908) 439-2200, ext. 5644
james.peavy@ambest.com

A.M. Best Upgrades Ratings of Alterra Capital Holdings Limited and Its Subsidiaries Following Merger With Harbor Point Limited

OLDWICK, NEW JERSEY, U.S.A., May 13, 2010—A.M. Best Co. has upgraded the financial strength rating (FSR) to A (Excellent) from A- (Excellent) and issuer credit ratings (ICR) to “a” from “a-” of the operating subsidiaries of **Alterra Capital Holdings Limited** (Alterra) (formerly known as Max Capital Group Ltd.) [NASDAQ: ALTE], following its recent merger with **Harbor Point Limited**. These companies were former subsidiaries of Max Capital Group Ltd.

Additionally, A.M. Best has upgraded the ICR to “bbb” from “bbb-” of Alterra as well as all of its debt ratings. All the above ratings have been removed from under review with positive implications and assigned a stable outlook.

A.M. Best also has affirmed the FSR of A (Excellent) and ICRs of “a” of the subsidiaries of the former Harbor Point Limited. The outlook for these ratings is stable. Alterra is domiciled in Hamilton, Bermuda. (See below for a detailed list of the companies and ratings.)

Alterra has commenced the necessary processes to change the names of its operating subsidiaries. Until these processes are completed, the operating subsidiaries will continue to do business under their existing Max Capital Group Ltd. or Harbor Point Limited name, as applicable.

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The rating actions reflect the prospective benefits to Alterra in terms of broadening its management depth, the addition of strong underwriting teams, enhanced diversification, increased capacity and greater scale of operations. The risk-adjusted capital of the combined organization is strong after considering the proposed post closing extraordinary dividend of approximately \$300 million. Moreover, the organizational structure of the Board of Directors, the executive management team and key committees provides comfort that Alterra will be well positioned to execute its strategy.

While the Alterra merger appears to have been structured in an optimal manner, there is execution risk inherent in a transaction of this nature. Also, partially offsetting the positive rating factors are current headwinds in the casualty market and the threat of looming inflation, which could take its toll on casualty writers, including Alterra, in the intermediate and longer term.

The FSR has been upgraded to A (Excellent) from A- (Excellent) and the ICRs to “a” from “a-” for the following operating subsidiaries of **Alterra Capital Holdings Limited**:

- **Alterra Insurance Limited** (formerly Max Bermuda Ltd.)
- **Alterra Reinsurance Europe Limited** (formerly Max Re Europe Limited)
- **Alterra Insurance Europe Limited** (formerly Max Insurance Europe Limited)
- **Alterra America Insurance Company** (formerly Max America Insurance Company)
- **Alterra Specialty Insurance Company** (formerly Max Specialty Insurance Company)

The ICR has been upgraded to “bbb” from “bbb-” for **Alterra Capital Holdings Limited**.

The following debt rating has upgraded:

Alterra USA Holdings Limited (formerly Max USA Holdings Ltd.) (guaranteed by Alterra Capital Holdings Limited)—
--to “bbb” from “bbb-” on \$100 million 7.2% senior secured notes, due 2017

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The following indicative ratings under the current shelf registration have been upgraded:

Alterra Capital Holdings Limited—

- to “bbb” from “bbb-” on senior unsecured debt
- to “bbb-” from “bb+” on subordinated debt
- to “bb+” from “bb” preferred stock

Alterra USA Holdings Limited (guaranteed by Alterra Capital Holdings Limited)—

- to “bbb” from “bbb-” on senior secured debt
- to “bbb-” from “bb+” on subordinated debt

Alterra Capital Trust (formerly Max Capital Trust I) (guaranteed by Alterra Capital Holdings Limited)—

- to “bb+” from “bb” on preferred securities

The ICR of “bbb” has been withdrawn and assigned an “nr” for **Harbor Point Limited**.

The FSR of A (Excellent) and ICRs of “a” have been affirmed for **Alterra Reinsurance Limited** (formerly Harbor Point Re Limited) and its operating subsidiary, **Alterra Reinsurance USA Inc.** (formerly Harbor Point Reinsurance U.S., Inc.).

For Best’s Credit Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at www.ambest.com/ratings/methodology.

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