

Ratings On Four Japanese Insurers Lowered To 'AA-' Following Sovereign Downgrade; Outlooks Stable

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- Standard & Poor's today lowered its sovereign rating on Japan to 'AA-' from 'AA'. The outlook is stable.
- Following the downgrade, we lowered the ratings on four domestic insurance companies by one notch to 'AA-.' The outlooks on these insurers are stable.
- We hold the view that the ratings on the four insurers are constrained by the long-term sovereign rating on Japan, as their business franchises and assets are highly concentrated within the country.
- We also revised downward the ratings on some overseas subsidiaries and branches of Tokio Marine & Nichido Fire Insurance Co. Ltd.

TOKYO (Standard & Poor's) Jan. 27, 2011--Standard & Poor's Ratings Services today lowered to 'AA-' from 'AA' its financial strength ratings and long-term counterparty credit ratings on four domestic insurance companies: Tokio Marine & Nichido Fire Insurance Co. Ltd.; Tokio Marine & Nichido Life Insurance Co. Ltd.; MassMutual Life Insurance Co.; and Allianz Fire and Marine Insurance Japan Ltd. The outlooks on the financial strength and long-term counterparty credit ratings on the four insurers are stable. At the same time, we affirmed the short-term rating on Tokio Marine & Nichido Fire Insurance Co. Ltd. (see list below).

The downgrades on the four insurers follow Standard & Poor's lowering of the sovereign rating on Japan (AA-/Stable/A-1+). (For details, please see our media release "Ratings On Japan Lowered To 'AA-'; Outlook Stable," published Jan. 27, 2011.) In addition, we have also lowered the ratings on the overseas

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subsidiaries and branches of Tokio Marine & Nichido Fire Insurance, as the ratings on these companies incorporate explicit and/or implicit support from their parent companies.

Standard & Poor's is of the opinion that the ratings on a number of domestic insurance companies in Japan are constrained by the long-term sovereign rating on the country. This is because the insurers hold a high percentage of domestic assets in their portfolios and their businesses are concentrated in the domestic market. Due to this constraint, we lowered the ratings on the aforementioned four insurers to the same level as the sovereign rating.

The outlooks on the financial strength and long-term counterparty credit ratings on the insurers are stable, which is the same as that on the sovereign rating. There is little likelihood that Standard & Poor's will raise the outlooks and ratings on the insurers even if the insurers greatly enhance their financial profiles from their current levels, as long as the ratings and outlook on Japan remain unchanged. Conversely, if the ratings on Japan were lowered, the ratings on the insurers are also likely to be lowered.

RELATED CRITERIA AND RESEARCH:

"Interactive Ratings Methodology," published on April 22, 2009.

"Group Methodology," published on April 22, 2009.

"Factoring Country Risk Into Insurer Financial Strength Ratings," published on Feb. 11, 2003.

RATINGS LIST

Ratings Lowered; Outlook Revised

	To	From
Allianz Fire and Marine Insurance Japan Ltd. Counterparty Credit Rating		
Local Currency	AA-/Stable/--	AA/Negative/--
Financial Strength Rating		
Local Currency	AA-/Stable/--	AA/Negative/--

MassMutual Life Insurance Co. Counterparty Credit Rating		
Local Currency	AA-/Stable/--	AA/Negative/--
Financial Strength Rating		
Local Currency	AA-/Stable/--	AA/Negative/--

Tokio Marine & Nichido Fire Insurance Co. Ltd.
Tokio Marine & Nichido Fire Insurance Co. Ltd. (New Zealand Branch)
Tokio Marine & Nichido Fire Insurance Co. Ltd. (U.S. Branch)
Tokio Marine Compania de Seguros, S.A. de C.V.
Tokio Marine Europe Insurance Ltd.
Tokio Millennium Re (UK) Ltd.
Tokio Marine Global Re Ltd.
Tokio Millennium Re Ltd.

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Tokio Marine Retakaful Pte. Ltd.
Financial Strength Rating
Local Currency AA-/Stable/-- AA/Negative/--

Tokio Marine Insurance Singapore Ltd.
Philadelphia Indemnity Insurance Co.
Philadelphia Insurance Co.
Counterparty Credit Rating
Local Currency A+/Stable/-- AA-/Negative/--
Financial Strength Rating
Local Currency A+/Stable/-- AA-/Negative/--

Tokio Marine & Nichido Life Insurance Co. Ltd.
Counterparty Credit Rating
Local Currency AA-/Stable/-- AA/Negative/--
Financial Strength Rating
Local Currency AA-/Stable/-- AA/Negative/--

Tokio Marine & Nichido Fire Insurance Co. Ltd.
Tokio Marine Financial Solutions Ltd.
Counterparty Credit Rating
Local Currency AA-/Stable/A-1+ AA/Negative/A-1+

Ratings Lowered

	To	From
Tokio Marine & Nichido Fire Insurance Co. Ltd.		
Senior Unsecured	AA-	AA

Ratings Affirmed
Tokio Marine & Nichido Fire Insurance Co. Ltd.
Commercial Paper A-1+

A Japanese-language version of this media release is available on Standard & Poor's Research Online at www.researchonline.jp, or via CreditWire Japan on Bloomberg Professional at SPCJ <GO>. Complete ratings information is available to RatingsDirect on the Global Credit Portal subscribers at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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