



## **Fortis completes acquisition of American Bankers Insurance Group (ABI)**

Brussels/Utrecht/New York, 18 August 1999 - Fortis, the international group active in insurance, banking and investments, announced today that it has completed its acquisition of American Bankers Insurance Group. ABI will be integrated with American Security Group (ASG) to form the leading credit related insurer in the United States. The transaction is expected to be immediately accretive to Fortis' earnings per share and will enhance its overall earnings growth rate.

The ABI shareholders as well as all relevant federal and state regulators and foreign jurisdictions have approved the acquisition. Under the agreement, Fortis will pay USD 55 in cash for each share of common stock and USD 109.857 in cash for each share of preferred stock, thus valuing ABI at USD 2.6 billion. In addition, Fortis will assume outstanding debt of ABI. The acquisition will be partially financed with the proceeds of the Fortis (NL) equity and convertible note offerings that were closed on 1 July 1999.

The acquisition of ABI is consistent with the Fortis strategy in the United States of building leadership positions in well defined specialty markets. Allen Freedman, chief executive officer of Fortis, Inc. said, "the ABI/ASG combination will allow us to extend our product offerings and enhance our distribution capabilities. With this acquisition Fortis becomes the leading provider of credit-related insurance products and services in the United States." Other US specialty markets in which Fortis has achieved leading market positions are pre-need funeral funding (Fortis Family and Pierce National) and long term disability (Fortis Benefits).

Ed O'Hare, president and CEO of the combined ABI/ASG entity said, "the integration of the two organizations is well underway. This combination creates a stronger, more knowledgeable and larger organization that will be able to provide a broader array of innovative products and services to our clients."

Press contacts:  
Corneel Maes  
32 (0)2 220 75 39

Robin Boon  
31 (0)30 257 65 52  
32 (0)75 23 79 49  
31 (0)6 534 306 47

Investor relations:  
Patrick Verelst  
32 (0)2 220 78 02

Annegien Blokpoel,  
31 (0)30 257 65 46

Frank Dausy,  
32 (0)2 220 79 95

Fortis, Inc.:  
Meril Joseph

