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A.M. Best Affirms Ratings of The Family Guardian Insurance Company Limited

OLDWICK, NEW JERSEY, U.S.A., Mar. 31, 2009—A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and issuer credit rating of “a-” of **The Family Guardian Insurance Company Limited** (Family Guardian) (Nassau, Bahamas). The outlook for both ratings is stable. Family Guardian is a wholly owned subsidiary of Famguard Corporation Limited (Famguard) [BISX: FAM].

The affirmation of the ratings are based on Family Guardian’s favorable risk-adjusted capitalization, profitable aggregate gains from operations and its marketing presence as one of the leading life insurance companies in the Bahamas. A.M. Best notes that the trends in profitability and stockholders’ equity continue to remain positive with growth in stockholders’ equity over the past five years, despite dividend payments. Family Guardian’s three core business segments, home service, financial services and group division led by BahamaHealth, provide business diversification and competitive advantages in a generally limited and mature marketplace in the Bahamas.

Partially offsetting these positive rating factors are the continuing weak operating results Family Guardian reported in 2008 from its financial services segment, the volatility and risk inherent in its health business and the high concentration of mortgage loans relative to total equity, with increasing delinquencies attributed to the current weak economic environment.

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However, A.M Best notes that Family Guardian has consistently decreased its exposure to mortgage loans, as a percentage of invested assets over a five-year period and delinquent loans past due over 90 days have decreased during year-end 2008. Additionally, the mature nature of the Bahamian life/health market and the current weakness in the Bahamas' economy may impede Family Guardian's potential for organic growth.

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, which may have been considered, can be found at www.ambest.com/ratings/methodology.

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