



## **FAMGUARD AND SAGICOR GRANTED APPROVAL FOR STRATEGIC ALLIANCE**

Norbert Boissiere, Chairman of FamGuard Corporation Limited (FamGuard), the parent company of Family Guardian Insurance Company (Family Guardian), and Dodridge Miller, President and CEO of Sagicor Financial Corporation (Sagicor), have announced that the strategic alliance between the two companies has been approved by the Bahamian Government and regulatory authorities.

Under the terms of the approved alliance, FamGuard intends to sell to Sagicor 2,000,000 newly issued shares at a price of B\$6.20 per ordinary share ("Sagicor Investment"). This transaction will increase the total issued capital of FamGuard to 10,625,000 shares.

Concurrent with the closing of the Sagicor Investment, FamGuard intends to repurchase 625,000 ordinary shares from existing shareholders at the same price as paid by Sagicor for the shares issued in the Sagicor Investment ("Tender Offer").

FamGuard intends that upon the closing of the Sagicor Investment and the Tender Offer, the shares purchased by Sagicor in the Sagicor Investment shall represent 20% of all issued and outstanding ordinary shares and the total issued share capital of FamGuard will be 10,000,000 shares.

FamGuard will hold an Extraordinary General Meeting on December 2, 2005 to address both of these issues before its shareholders. It is anticipated that both the Sagicor Investment and the Tender Offer will be concluded before the end of this year.

As a part of the strategic alliance, FamGuard will appoint Sagicor's President and CEO, Dodridge Miller, and Executive Vice President, General Counsel and Secretary, Sandra Osborne, to its board of directors. FamGuard's wholly-owned subsidiaries, Family Guardian Insurance Company, BahamaHealth Insurance Brokers and Benefit Consultants, and FG General Insurance Agency, will continue to operate under the present management structure.

The alliance with Sagicor will bring to Family Guardian access to new technology, a wider range of life insurance and wealth accumulation products and services, and an avenue to take advantage of joint marketing and sales initiatives. With the changing business landscape both locally and internationally, this alliance with Sagicor will allow Family Guardian to achieve greater efficiencies in its operations thereby allowing it to compete more effectively on scope of product and pricing capabilities.

For 40 years Family Guardian has helped Bahamians plan for their future with a comprehensive portfolio of group and individual life and health insurance, residential and commercial mortgage loans, and investment products. FamGuard Corporation is a publicly traded Bahamian company listed on the Bahamas International Securities Exchange.

Sagicor is a leading provider of financial services in the Caribbean with operations in 22 territories including Panama and the United States. The group was established in 1840 in Barbados and today has assets in excess of US\$3.1 billion and a policyholder base of approximately 450,000. Sagicor is a widely-held publicly traded company with 40,000 shareholders and is listed on the stock exchanges of Barbados and Trinidad and Tobago.