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

OLDWICK, NEW JERSEY, U.S.A., Dec. 15, 2006—A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and the issuer credit rating of “a-” for **The Family Guardian Insurance Company Limited** (Family Guardian) (Nassau, Bahamas). The outlook on both ratings remains stable. Family Guardian is a wholly-owned subsidiary of publicly traded Famguard Corporation Limited (Famguard). Famguard is listed on BISX, the Bahamas stock exchange.

These rating actions reflect Family Guardian’s long-standing life insurance marketing presence in the Bahamas, diversified business profile, historically profitable operating performance and more than adequate level of risk-adjusted capitalization. Family Guardian is the second-largest life insurance company in the Bahamas, with a focus on multiple product offerings of life, health and annuity business. With over 40 years of history as one of the first locally established companies in the Bahamas, Family Guardian has strong brand recognition and a formidable competitive position. The company’s historically profitable operations have enabled it to build a strong level of risk-adjusted capitalization. Family Guardian’s strategic alliance with Sagikor Life, through Famguard, should improve Family Guardian’s product offerings, technology expertise and growth opportunities.

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Partially offsetting these strengths are the company's geographic concentration of business risk and competitive life insurance marketplace in the Bahamas, its relatively high exposure to mortgage loans in the investment portfolio and a challenge to increase its earnings momentum.

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

A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best's Web site at www.ambest.com.

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