

Rating Action: R.V.I. National Insurance Company

Moody's rates R.V.I. National Insurance Company A3 for insurance financial strength

New York, January 10, 2007 -- Moody's Investors Service announced today that it has assigned an A3 insurance financial strength rating to R.V.I. National Insurance Company ("RVI National"), a subsidiary of R.V.I. Guaranty Co., Ltd ("RVI Guaranty"). Moody's currently rates RVI Guaranty and R.V.I. America Insurance Company ("RVI America") A3 for insurance financial strength. The outlook for the ratings is stable.

The rating agency stated that RVI National's A3 insurance financial strength rating is based on significant support provided to the company by RVI Guaranty through an 85% quota share reinsurance arrangement. The reinsurance agreement also allows for the ceding percentage on a per-risk basis to increase up to 100% so that RVI National's net retention on any insurance policy does not exceed its single risk limit of \$1.25 million. Moody's stated that the rating on RVI National also contemplates implicit support from RVI Guaranty. On a stand-alone basis, the insurance financial strength rating of RVI National would likely be lower than the published A3 rating.

According to Moody's, RVI's A3 insurance financial strength ratings reflect the group's leadership position in the residual value insurance market, with a depth of experience in insured asset valuation, its moderate financial leverage and its high quality investment portfolio. These strengths are tempered by business risks arising from the group's residual value portfolio, including the long-term nature of its liabilities -- which are subject to meaningful uncertainty. Further, the potential for changes to the accounting rules that provide RVI with a considerable portion of its business and the prospect of new entrants into the residual value insurance market are also deemed to be significant risks.

The following rating has been assigned with a stable outlook:

R.V.I. National Insurance Company -- insurance financial strength at A3.

Moody's most recent rating action on RVI was on December 20, 2005, when the A3 insurance financial strength ratings of RVI Guaranty and RVI America were confirmed at A3 with a stable outlook. The rating action concluded a review of possible downgrade that was initiated on August 12, 2005.

RVI Guaranty, domiciled in Bermuda, provides residual value insurance on asset classes that include passenger vehicle, real estate and commercial equipment. RVI's customers include financial institutions, leasing companies and equipment manufacturers.

Moody's insurance financial strength ratings are opinions of the ability of insurance companies to repay punctually senior policyholder claims and obligations. For more information, visit our website at <http://www.moody's.com/insurance>.

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