



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

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A.M. Best Assigns Ratings to R.V.I. Guaranty Co., Ltd., R.V.I. America Insurance Company and R.V.I. National Insurance Company

OLDWICK, NEW JERSEY, U.S.A., Dec. 7, 2007—A.M. Best Co. has assigned a financial strength rating (FSR) of A- (Excellent) and issuer credit ratings (ICR) of “a-” to **R.V.I. Guaranty Co., Ltd.** (RVI Guaranty) (Bermuda) and its Connecticut-domiciled subsidiaries, **R.V.I. America Insurance Company** (RVI America) and **R.V.I. National Insurance Company** (RVI National). (RVI Guaranty, RVI America and RVI National are collectively referred to as RVI.) The outlook for all ratings is stable.

RVI America and RVI National receive significant support from RVI Guaranty by way of quota share reinsurance of 81.25% and 85%, respectively, and a guaranty of their obligations under the policies.

The ratings take into consideration a number of factors, including: RVI’s level of risk-adjusted capital; leadership in the residual value insurance market place and its ability to maintain a strong competitive position; profitability performance during the past three years, modest level of insurance liabilities and financial leverage; conservative and high quality investment portfolio; actions taken to address issues associated with its real estate properties and strong liquidity position. The ratings also recognize RVI’s decision to diversify into non-residual value insurance lines of business—financial guaranty reinsurance and fidelity/crime insurance—which are

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expected to be prudently managed in accordance with the company's conservative underwriting and risk management standards and practices.

Partially offsetting these favorable rating factors are the increased level of risk concentration within RVI's private passenger and commercial equipment lines of business in view of RVI's decision to discontinue writing new business in its real estate line of business; significant profitability concentration in its principal product line—residual value insurance; reduced premium volume written in the past several years; turnover of key senior management personnel; significant dependence on the performance and cyclicity of the asset-based financing and securitization industry; and sensitivity to potential accounting rule changes, which may negatively impact the company's premium growth in its principal product line.

RVI is a specialty insurance group that primarily writes residual value insurance. It is one of the largest insurance companies that specializes in underwriting and marketing of residual value insurance risk for clients engaged in the asset-based financing and securitization industry, with its main objective being obtaining third-party financial support. Most often, coverage is purchased by clients in order to comply with certain regulatory and financial accounting requirements.

RVI has historically focused on three principal lines of business in its residual value insurance product line: passenger vehicles, commercial equipment and commercial real estate (currently not underwriting any new policies). Recently, the company has begun to diversify into non-residual value insurance product lines—financial guaranty (in 2006) and fidelity/crime insurance (in 2007) as a way to expand its earning source and to complement its existing product line.

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