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FOR IMMEDIATE RELEASE

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A.M. Best Assigns Ratings to Fidelity National Indemnity Insurance Company Following Purchase by WRM America Holding Company, LLC

OLDWICK, N.J., November 11, 2011—A.M. Best Co. has assigned a financial strength rating (FSR) of A- (Excellent) and an issuer credit rating (ICR) of “a-” to **Fidelity National Indemnity Insurance Company** (FNII) (San Antonio, TX). The outlook assigned to both ratings is stable. FNII was purchased by **WRM America Holding Company, LLC** (WRM America) on November 10, 2011. Under the previous owner, the company had earned the same ratings.

The ratings of FNII reflect its adequate risk-adjusted capitalization and relatively favorable operating results as well as governmental support. Offsetting these positive rating factors are the potential concentration of risk derived from excess flood policies, albeit small in nature, and changes in the macroeconomic environment. FNII derives significant revenue and fee-based income from its book of non-risk-bearing National Flood Insurance Program (NFIP) business, as well as from its excess flood coverage. These are expected to significantly contribute to the company’s overall profitability.

Concurrently, A.M. Best has affirmed the FSR of A- (Excellent) and ICR of “a-” of **WRM America Indemnity Company** (WRMAI) (Uniondale, NY). The outlook for both ratings is stable.

The ratings of WRMAI recognize its solid capitalization, experienced management team and strong claim and risk management programs. Partially offsetting these positive rating factors is the execution risk associated with the expansion of an existing single-state platform into additional states within the United States.

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Additional rating factors that were taken into consideration are WRMAI’s fundamental business strategies, which include providing stable insurance coverage in its niche education market coupled with high quality service for its insureds.

WRMAI has met A.M. Best’s established requirements for new company formations. The company’s ratings are reflective of its ability to meet A.M. Best’s strict capitalization requirements, which mandate a more conservative level of risk-based capital to support its ratings.

A.M. Best will closely monitor the quarterly performance of WRMAI, and any material negative deviation from the business plan in terms of management, earnings, capitalization or risk profile could result in negative rating pressure.

Post 2013, key rating drivers that may lead to an upgrading of WRMAI’s ratings includes a strong operating performance, profitable operation and material stockholders’ equity growth. Key rating drivers that may lead to a downgrading of the ratings includes a sustained material deterioration in operating performance and a significant reduction in stockholders’ equity. The potential for future acquisitions and the associated integration risks and company profile changes could lead to both positive and negative pressure on the ratings, depending on the acquisition details.

A.M. Best remains the leading rating agency of alternative risk transfer entities, with more than 200 such vehicles rated in the United States and throughout the world.

For current Best’s Credit Ratings and independent data on the captive and alternative insurance market, please visit www.ambest.com/captive.

The principal methodology used in determining these ratings is [Best’s Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best’s rating process and highlights the different rating criteria employed. Additional key criteria utilized include: “Risk

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Management and the Rating Process for Insurance Companies”; “Understanding BCAR for Property/Casualty Insurers”; “Rating Members of Insurance Groups”; and “A.M. Best’s Rating Methodology for Captive Insurance Companies.” Methodologies can be found at www.ambest.com/ratings/methodology.

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