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FOR IMMEDIATE RELEASE

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A.M. Best Downgrades Ratings of BancInsure Inc.

OLDWICK, N.J., January 13, 2012—A.M. Best Co. has downgraded the financial strength rating (FSR) to B (Fair) from B++ (Good) and the issuer credit rating to “bb” from “bbb” of **BancInsure Inc.** (BancInsure) (Oklahoma City, OK). The outlook for both ratings is negative.

The rating downgrades for BancInsure are due to its decline in overall risk-adjusted capitalization and its continued poor underwriting performance.

A.M. Best has seen a marked deterioration in BancInsure’s operating performance after the initial impact of the recession and financial market downturn in 2008. BancInsure has reported unfavorable underwriting results in the past three years due to adverse developments in the financial institution industry, directors and officers liability and the non-financial institution workers’ compensation lines of business, all of which have contributed to large net losses in the past three years.

During 2011, BancInsure’s surplus declined \$10.3 million or 27.8% with a combined ratio of 122.6%. The company’s surplus growth in 2009 was due to a \$7.5 million capital infusion.

BancInsure provides various coverages to banks and other financial institutions throughout the United States.

The outlook reflects BancInsure’s continued poor operating performance that has weakened capitalization. As a result, A.M. Best is concerned that the company could be challenged to grow capital and

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—2—

surplus. For the negative outlook to be removed BancInsure will have to demonstrate sustained improvement in its operating performance, while maintaining an appropriate level of risk-adjusted capitalization.

A.M. Best believes positive rating actions are unlikely in the near term. However, if BancInsure's negative trends in declining overall risk-adjusted capitalization and adverse operating performance continue it could result in further deterioration of the company's ratings as reflected by the continuation of the negative outlook.

Conversely, there could be positive movement in the current ratings and/or outlook if there were a sustained turnaround in BancInsure's underwriting and operating results, along with a sustained improvement in its risk-adjusted capital position.

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 Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; "Alternative Risk Transfer (ART)"; and "Catastrophe Analysis in A.M. Best Ratings." Methodologies can be found at www.ambest.com/ratings/methodology.

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