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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings to Pathfinder Insurance Company

OLDWICK, N.J., January 20, 2012—A.M. Best Co. has affirmed the financial strength rating of B++ (Good) and issuer credit rating of “bbb” of **Pathfinder Insurance Company** (Pathfinder) (Denver, CO). The outlook for both ratings is stable.

The ratings reflect Pathfinder’s strong capitalization, as reflected in its high Best’s Capital Adequacy Ratio (BCAR), and its historically high profitability. Pathfinder is authorized to do business in 43 states and the District of Columbia. Pathfinder does not write insurance policies for the general public. Rather, it is a vehicle used by its ultimate parent, **Avis Budget Group, Inc.** (ABG) [NASDAQ: CAR] to assure that to the extent possible, ABG maintains uninterrupted third party liability insurance on its automobiles that are registered in jurisdictions in which Pathfinder operates. While Pathfinder may not regularly write business, it continues to serve an important function as a backstop third party liability insurer for ABG vehicles in those jurisdictions that Pathfinder is registered.

Partially offsetting these positive rating factors are Pathfinder’s limited scope of business and its dependence on ABG for business generation. Pathfinder continues to have minimal losses due to the structure of coverage provided by ABG and its strict risk management program.

The ratings also consider Pathfinder’s strategic value in providing automobile liability insurance for a portion of ABG’s corporately owned rental fleets. The ratings also recognize the overall financial and credit ratings of ABG.

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While the outlook for Pathfinder’s ratings is stable, positive rating actions could occur if there is a sustainable long-term improvement in the operating performance and capital strength of ABG, with the requisite results in the captive insurer.

Negative rating actions could be the result of material operational and performance issues with Pathfinder and ABG.

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”; and “Alternative Risk Transfer (ART).” Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world’s oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

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