

Press Release - MARCH 17, 2008

A.M. Best Assigns Ratings to American Capital Assurance Group and Its Member

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FOR IMMEDIATE RELEASE

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A.M. Best Co. has assigned a financial strength rating (FSR) of B++ (Good) and issuer credit ratings (ICR) of "bbb" to **American Capital Assurance Group (ACA)** and its member, **American Capital Assurance Corporation** (both of St. Petersburg, FL).

Concurrently, A.M. Best has removed from under review with negative implications and upgraded the FSR to B++ (Good) from B+ (Good) and ICR to "bbb" from "bbb-" of the other member company, **Home Pointe Insurance Company** (Home Pointe) (Florida). The outlook assigned to all ratings is stable.

These rating actions reflect ACA's adequate risk-adjusted capitalization, as well as its experienced management team with a track record of success in the Florida marketplace, which employs prudent underwriting standards, innovative pricing systems and effective reinsurance programs.

These positive rating factors are somewhat offset by ACA's geographic concentration of risk in Florida, with subsequent exposure to weather-related events and significant dependence on reinsurance, as well as its narrowly focused product base. In addition, the ratings reflect A.M. Best's expectation that underwriting performance and risk-adjusted capitalization will trend favorably.

Home Pointe previously had been placed under review with negative implications following the announcement that it had entered into a definitive agreement to be acquired by American Capital Assurance Corporation, which has been completed.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit [Best's Rating Center](#).

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