



# NEWS RELEASE

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A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

## FOR IMMEDIATE RELEASE

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## A.M. Best Upgrades Ratings of Republic Western Insurance Group and Its Members

OLDWICK, N.J., May 21, 2009—A.M. Best Co. has upgraded the financial strength rating to B+ (Good) from B (Fair) and issuer credit ratings (ICR) to “bbb-” from “bb” of the Republic Western Insurance Group (Republic Western) and its members, which include Republic Western Insurance Company (Phoenix, AZ) and its wholly owned subsidiary, North American Fire & Casualty Insurance Company (Mandeville, LA). The outlook for all ratings is stable.

The ratings reflect Republic Western’s solid risk-adjusted capitalization and improved underwriting and operating performance in recent years. The improved performance and subsequent capitalization accumulation were driven by management’s corrective actions, including cost reductions, rate refinement and the discontinuation of all non-U-Haul business. Furthermore, Republic Western’s publicly traded parent, AMERCO [NASDAQ: UHAL], does not rely on its insurance operations to meet its debt service and holding company obligations, which will further benefit growth in surplus.

These positive factors are offset by historically poor underwriting performance and weakened capitalization, primarily due to significant adverse loss reserve development from discontinued programs. Despite these concerns, the rating outlook is based on A.M. Best’s expectation that improved operating results will continue to offset the historical earnings drag

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generated from the group's discontinued operations and contribute to surplus growth over the near term.

For Best's Credit Ratings, an overview of the rating process and rating methodologies, please visit [www.ambest.com/ratings](http://www.ambest.com/ratings).

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

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