

## **May 22, 2009, A.M. Best Revises Outlook to Positive for Sequoia Insurance Group**

Business Wire, OLDWICK, N.J. -- A.M. Best Co. has revised the outlook to positive from stable and affirmed the financial strength rating (FSR) of A- (Excellent) and issuer credit ratings (ICR) of “a-” of Sequoia Insurance Group (Sequoia) and two of its members, Sequoia Insurance Company (Monterey, CA) and its wholly owned subsidiary, Sequoia Indemnity Company (Las Vegas, NV). Concurrently, A.M. Best has affirmed the FSR of A- (Excellent) and ICR of “a-” of another member of Sequoia, Personal Express Insurance Company (Monterey, CA). The outlook for these ratings is stable.

The rating actions reflect Sequoia’s excellent risk-adjusted capitalization, solid underwriting and operating performance and the benefit derived from its niche underwriting expertise in the small to medium-sized commercial market place. The ratings also reflect the financial support and flexibility provided by Sequoia’s immediate parent, Strongwood Insurance Holdings Corporation and its relationship with JPMorgan Chase & Company.

These positive factors are somewhat offset by the group’s high cost structure and the inherent risks and limitations associated with Sequoia’s concentration in California. Despite these concerns, the revised outlook recognizes A.M. Best’s expectation that Sequoia’s strong underwriting and operating results will be sustained over the near term, and capitalization will remain well supportive of the ratings.