

SAGICOR FINANCIAL CORPORATION AND FAMGUARD IN DISCUSSION ON STRATEGIC ALLIANCE



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Norbert Boissiere, Chairman of FamGuard Corporation Limited (FamGuard), and Dodridge Miller, President and CEO of Sagicor Financial Corporation (Sagicor), are pleased to announce that FamGuard and Sagicor are in discussion with a view to entering into a strategic alliance.

The terms and conditions of the proposed alliance are currently being negotiated and are expected to result in a 20% equity interest in FamGuard by Sagicor.

Negotiations are expected to be concluded within 90 days and are subject to regulatory approval.

The alliance will make available to Family Guardian Insurance Company Limited (Family Guardian) (the wholly-owned life and health insurance subsidiary of FamGuard) the wider range of products and services currently being offered internationally by Sagicor. In addition, Family Guardian will have access to the product development, marketing and technological capabilities available within the Sagicor Group.

This recent development is part of a wider strategy of FamGuard in positioning itself to respond to the changing local and international insurance landscape.

FamGuard began the process of restructuring its operations in 2001 with the merger with Star Insurance Company (Bahamas) Limited and the acquisition of the remaining 50% portfolio of BahamaHealth in 2002. This was followed by the conversion to the Canadian Risk-Based Method of reserving in 2003 which allows Family Guardian's operations to be measured uniformly against other industry participants, in keeping with recommendations emanating from the Office of The Registrar of Insurance Companies.

These developments along with the strong performance in Family Guardian's operations have enabled FamGuard to report significantly improved results during 2004. At the end of September 2004, FamGuard reported a profit of \$3 million. This produced earnings per share to September 2004 of 35 cents, the highest earnings per share reported by FamGuard since it went public in 1998.

Established in 1983, FamGuard Corporation Limited is the holding company of Family Guardian Insurance Company (founded in 1965), FG General Insurance Agency and BahamaHealth Insurance Brokers and Benefit Consultants. For 40 years, Family Guardian has helped Bahamians plan for their future, with a comprehensive portfolio of insurance, residential and commercial mortgage loans, group and individual life and health and investment products.

FamGuard Corporation Limited is a publicly-traded Bahamian company listed on the Bahamas International Securities Exchange.

Sagicor is a leading provider of financial services in the Caribbean with operations in 22 territories including Panama and the United States, and with total assets in excess of US\$1.4 billion. The Sagicor Group offers a wide range of products and services including life insurance, annuities and group and individual health and has a policyholder base of approximately 450,000. Sagicor is a widely-held publicly-traded company with 40,000 shareholders and is listed on the stock exchanges of Barbados and Trinidad and Tobago.

FamGuard and Sagicor will issue another release upon conclusion of these negotiations.



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