



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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A.M. Best Upgrades Ratings of Avmed, Inc.

OLDWICK, N.J., June 12, 2008—A.M. Best Co. has upgraded the financial strength rating to B++ (Good) from B+ (Good) and issuer credit rating to “bbb” from “bbb-” of **AvMed, Inc.** (AvMed) (Miami, FL). The outlook for both ratings has been revised to stable from positive.

The ratings reflect AvMed’s strong capitalization, which is further supported by a resolution issued by, its parent, SantaFe HealthCare, Inc., requiring a minimum level of risk-based capital, as well as consistent underwriting performance over the past several years and profitable membership growth.

AvMed’s capital levels have strengthened over the past several years due to retained earnings and are currently adequate to meet the current rating level. Profitability at AvMed has occurred in both its commercial and Medicare lines of business but is mainly driven by its large group commercial segment. Commercial membership growth has been steady as AvMed continues to expand its provider network and increase its small group sales and self funded business. AvMed’s ability to effectively manage medical cost trends while maintaining its high quality of care standards, as evidenced by an excellent accreditation status for both its commercial and Medicare health plans, also has contributed significantly to its success.

Partially offsetting AvMed’s positive rating factors are the significant concentrations that AvMed has in its top large commercial accounts, in addition to geographic concentration mainly

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within two counties in southern Florida. Furthermore, Florida is a very competitive market with several large national insurance carriers dominating the market.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

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