

March 3, 2006

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joseph.petrelli@demotech.com**Health Facilities of California Mutual Insurance Company, Inc.,****A Risk Retention Group, Inc. Earns****Financial Stability Rating[®] of A, Exceptional**

Columbus, Ohio – March 2006: Health Facilities of California Mutual Insurance Company, Inc., A Risk Retention Group, Inc. (Health Facilities of CA) has earned a Financial Stability Rating[®] (FSR) of A, Exceptional, from Demotech, Inc. This level of FSR is assigned to insurers who possess an exceptional ability to maintain a positive surplus as regards policyholders, maintain liquidity of invested assets, an acceptable level of financial leverage, reasonable loss and loss adjustment expense reserves and realistic pricing.

An insurer with this level of FSR meets the requirements of The United States Department of Housing and Urban Development (HUD) for Professional Liability Insurance. This permits nursing facilities insured by Health Facilities of CA to apply for HUD's Section 232 Program.

About Health Facilities of California Mutual Insurance Company, Inc., A Risk Retention Group, Inc.

Health Facilities of CA is domiciled in the State of Hawaii and licensed by the Hawaii Insurance Commissioner as a Class 3 Risk Retention Captive Insurance Company to write claims made professional liability insurance and general liability insurance for long term healthcare providers. The company currently provides such coverage to long term healthcare providers in the State of California who are members of the California Association of Health Facilities (CAHF), and pursuant to California law, is registered with the California Department of Insurance in order to provide such insurance. Health Facilities of CA is reinsured by various syndicates at Lloyd's of London and Aspen Re.

A key component of the Health Facilities of CA program are the underwriting pre-inspection and post-purchase risk management services provided by Carerise.

"We are very enthused in regards to obtaining the (FSR) rating from Demotech. Our goal for Health Facilities of CA remains to deliver a high-quality insurance product, coupled with state of the art risk management. This allows us to 'stay on focus' relative to our parallel objective in ensuring quality care through our program," Ronald Goux stated, Chairman of Health Facilities of CA.

The Health Facilities of CA program may be accessed through various broker markets licensed in the State of California. Information about the program may also be obtained by contacting Johnny Raymond, Director of Providers Insurance Services, LLC (985.674.8475, email: jraymond@providersinsurance.com) or visit our website at providersinsurance.com.

About Demotech, Inc.

Since 1985, Demotech, Inc., a Columbus, Ohio based financial analysis and actuarial services firm, has been serving the insurance industry, providing a wide range of services including pricing analysis, state filings assistance, Financial Stability Ratings[®] and support for other required regulatory reporting. Having worked with insurers of all sizes, Demotech possesses broad experience addressing actuarial and financial analysis issues, whether the issue is unique to a particular insurer or faced throughout the industry. Demotech was the first company to have its rating process formally reviewed and accepted by Fannie Mae, Freddie Mac and HUD.

Effective January 31, 2005, the United States Department of Housing and Urban Development, Office of Multifamily Development (HUD) accepted Demotech to provide rating services to captives, risk retention groups, smaller licensed regional insurance carriers and other risk sharing entities seeking acceptance under Notice H 04-15, Professional Liability Insurance for Section 232 Programs.

Visit <http://www.demotech.com> for more information.

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