

Optimum Re-2007 Flaspohler Results

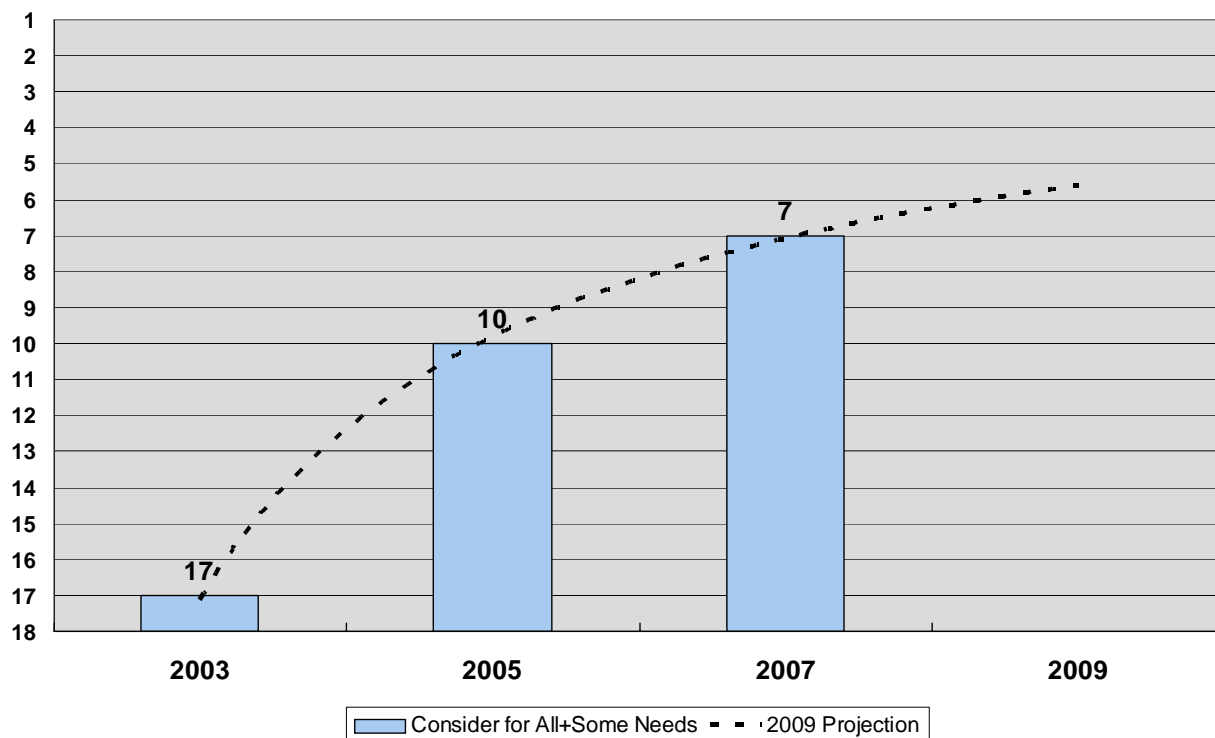
For over 35 years the Optimum Group has provided reinsurance services. In the US market Optimum Re has been serving the small to mid-size market with its 'full service' approach, providing pricing, underwriting, claims, and administrative advice. In 2003, given the reducing capacity available and the favorable market, the Senior Management of Optimum Re decided to expand its activities into the larger company market. New resources were brought on board and a range of activities initiated to increase Optimum's visibility in the marketplace. In addition, it maintained its focus on the small to mid size direct company market and announced a major block acquisition of business from 130 companies and fraternal in 2005.

With this background, it is indeed gratifying to share with you the high-level results from the recent 2007 Flaspohler survey where a total of 18 reinsurers were evaluated. Here is what the marketplace has to say about Optimum Re:

When asked to identify which reinsurers you used for some or all of your needs, Optimum Re ranked 7th, up from 17th in 2003 (see Chart 1).

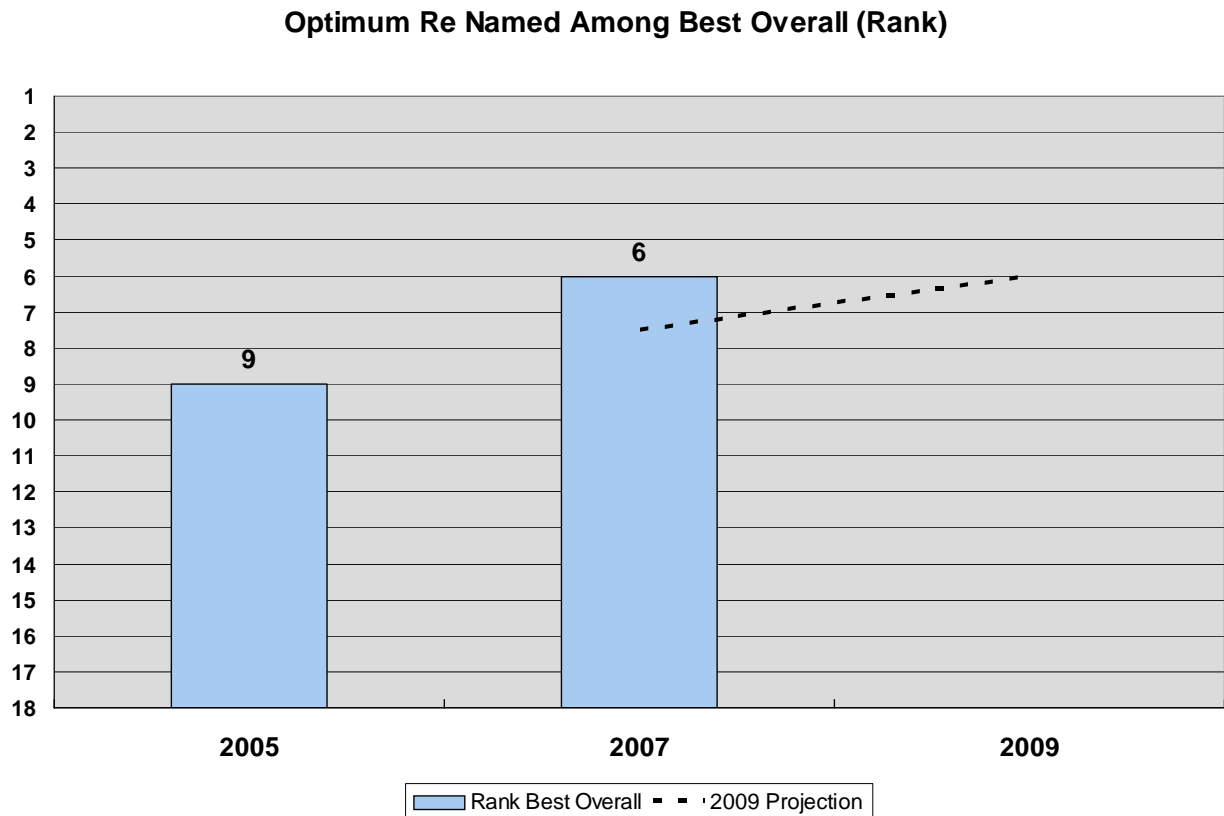
Chart 1-Optimum Re Considered for all or some of your needs

Optimum Re Considered for All + Some Needs (Rank)



When asked to name the best reinsurers, Optimum Re ranked 6th in the marketplace in 2007 (see Chart 2). This is a tremendous achievement for a reinsurer considered a niche reinsurer 4 years earlier. It should be mentioned this is the view of all respondents. Optimum's results for its own target client base are even better as will be seen later.

Chart 2-Optimum Re Named Amongst Best Overall (Rank)

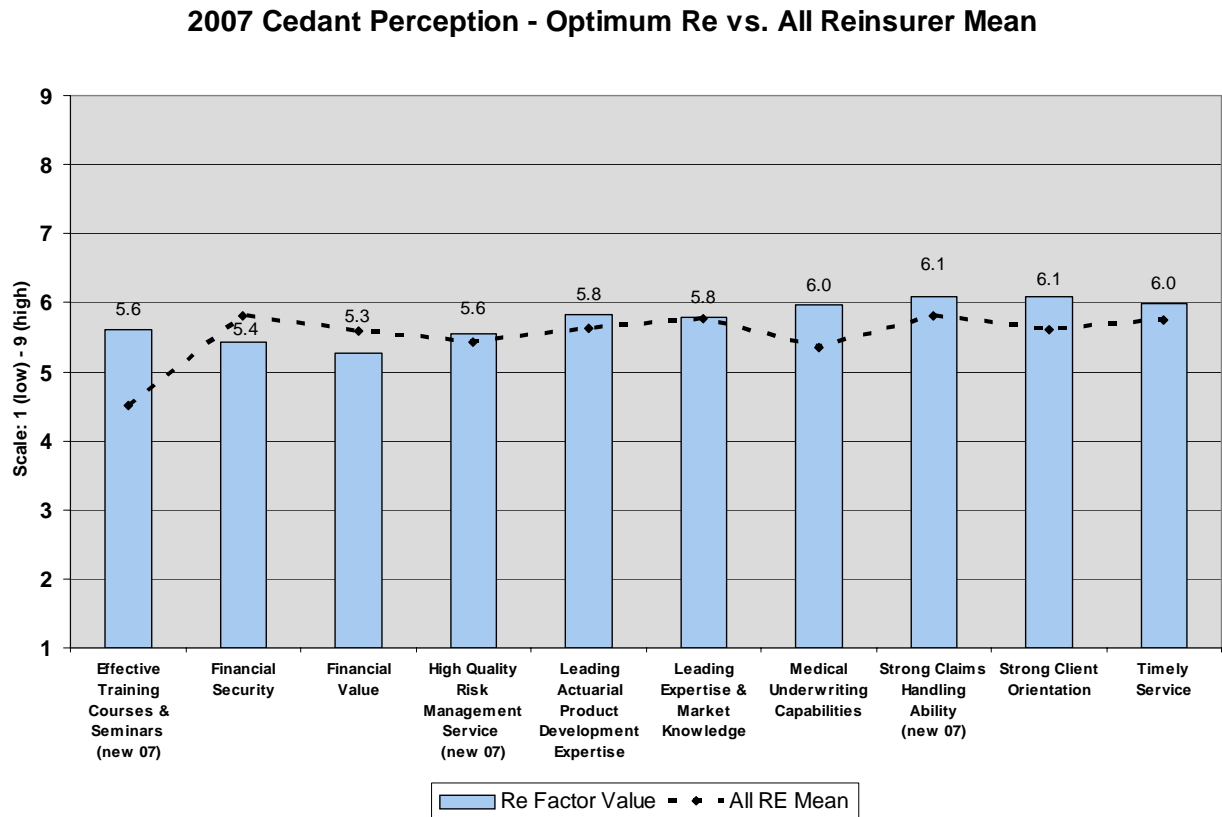


Further, respondents rated reinsurers on the following 10 key evaluation and selection factors:

- Effective training, courses and seminars
- Financial security
- Financial value
- High-quality risk management service
- Leading actuarial product development expertise
- Leading expertise and market knowledge
- Medical underwriting capabilities
- Strong claims-handling ability
- Strong client orientation
- Timely service

As you can see in Chart 3, which compares Optimum Re vs. the mean score of all reinsurers, Optimum Re rated above average in 8 of the 10 factors with a particularly strong showing in 'effective training courses'.

Chart 3-2007 Cedant Perception-Optimum Re vs All reinsurers (Mean)



The result for the 10 key selection factors are presented differently in Chart 4 below. Here, results are shown by upper, lower and mean quadrants for all respondents (07,05) and Optimum Re's target group for 07.

Chart 4 –10 Key Selection Factors and Optimum Re

Optimum Re	Overall 07	Overall 05	Optimum Re 07
Medical Underwriting Capabilities	5.97	5.00	6.48
Financial Value	5.26	4.65	5.85
Financial Security	5.44	4.65	5.81
Strong Client Orientation	6.09	5.25	6.38
Leading Expertise & Market Knowledge	5.78	5.22	5.89
Leading Actuarial Product Development Expertise	5.82	5.97	6.10
Timely Service	5.99	5.20	6.44
High Quality Risk Management Service	5.55	New 07	5.53
Effective Training Courses & Seminars	5.62	New 07	6.08
Strong Claims Handling Ability	6.09	New 07	6.83

Top Quartile	Average Half	Bottom Quartile
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Medical UW Capabilities	<ul style="list-style-type: none"> A compatible UW philosophy Underwriters you respect and trust Medical expertise you don't have in house 	<ul style="list-style-type: none"> Knowledgeable & responsive UW staff A comprehensive set of medical UW tools
Financial Value	<ul style="list-style-type: none"> Offers reinsurance cover and services package which adds value 	<ul style="list-style-type: none"> Offers pricing that is consistent with the services and security provided
Financial Security	<ul style="list-style-type: none"> Highly rated by objective rating agencies Strong capital management & reserving philosophy 	<ul style="list-style-type: none"> Writes most of its business for its own retention Worldwide-diversified risk portfolio
Strong Client Orientation	<ul style="list-style-type: none"> Teams who understand your business Marketing reps who keep in regular contact Geared to providing solutions; Delivers on promises 	<ul style="list-style-type: none"> Works in a transparent manner Has interest in a long-standing relationship Solutions which create win-win situations
Leading Expertise & Market Knowledge	<ul style="list-style-type: none"> Strong technical expertise to understand your business Superior knowledge of markets and products that interest you 	<ul style="list-style-type: none"> Demonstrates leadership in risk management High expertise with respect to products/innovations needed in the market Tailor made reinsurance solutions
Leading Actuarial Product Dev Expertise	<ul style="list-style-type: none"> Quality actuaries Leadership position in mortality/morbidity research Product development expertise 	<ul style="list-style-type: none"> Innovative product development ideas and business development opportunities Competent actuarial support
Timely Service	<ul style="list-style-type: none"> Timely quotes; Returns calls promptly 	<ul style="list-style-type: none"> 24-hour turnaround on facultative underwriting
High Quality Risk Management Service	<ul style="list-style-type: none"> Data analysis Implementing the actuarial control cycle 	<ul style="list-style-type: none"> Managing and reducing operational risk
Effective Training Courses & Seminars	<ul style="list-style-type: none"> Comprehensive UW and claims training Added value by certified programs 	<ul style="list-style-type: none"> Timely Seminars on relevant topics Useful publications
Strong Claims Handling Ability	<ul style="list-style-type: none"> Claims expertise you don't have in house Claims handlers you respect and trust Competent support & advice in claims handling 	<ul style="list-style-type: none"> Pays claims in a timely manner A reasonable and collaborative approach to reviewing, deciding and paying claims

A number of important results can be seen from this chart.

For all respondents:

- Optimum Re was average in 9, and in the top quadrant in 1 out of 10 criteria - representing a significant improvement in almost all factors measured in 2005;

- Optimum Re was in the top 5 in 2 of the rating factors.

For Optimum Re's Target client Group:

- Optimum Re was in the top quadrant in 6 of the 8 service-related criteria and average in the other 2 as well as the 2 financial measures.
- Overall results showed that Optimum Re ranked 3rd best in the 8 service factors and above average in the financial composite compared to all other reinsurers in the marketplace today!

We at Optimum Re are proud of our history, of our dedication to innovation and service, and delighted that our expanded efforts have been recognized so widely by the industry.

We will continue our emphasis on controlled growth within our full service strategy. "Thank you" to all our clients, for your vote of confidence! For our targeted clients, if you haven't considered using us thus far, isn't it time that you give us serious consideration?

Please contact us with your needs/questions. We would love to hear from you!

**Marketing Team
Optimum Re Insurance Company
3434 Fairmount Street
Dallas, TX
214-520-2020**

**Gord Gibbins
Senior Vice President Development**
*Phone: 613-476-0219 or 613-242-9913
Fax: 613-476-2408
gord.gibbins@optimumre.com*

**Gary Bedwell
Vice President, Western and Southern Regions**
*Phone: 214-520-2020
Fax: 214-528-9862
gary.bedwell@optimumre.com*

**Ayse Jobe
Marketing Director, Northern and Caribbean Regions**
*Phone: 214-528-2020 or 214-808-9181
Fax: 214-528-9862
ayse.jobe@optimumre.com*

**Sheila Matheson
Vice President, Critical Illness Reinsurance**
*Phone: 905-655-8800 or 905-767-5259
sheila.matheson@optimumre.com*