



RAM Lloyd's Relationship & Interaction, Lloyd's Strength And The Future of RAM

RAM is a Lloyd's Coverholder. Lloyd's Coverholders are firms worldwide who are authorised by Lloyd's syndicates to enter into contracts of insurance and/or issue insurance documentation on their behalf. This essentially means that Lloyd's have given RAM their approval and we are a 'virtual' insurer with full authorisation from Lloyd's to underwrite and issue policies in our own name, administer schemes including premium and commission handling and of course claims settlement.

Given this, the term 'virtual insurer' relates to RAM's ability to do everything (except hold risk) a usual insurance company does however we do so on behalf of, and by using the resources of, a much larger organisation.

Whilst RAM can be perceived as being a little bit different from mainstream insurers, the quality and efficiency of the service it provides has been described as 'absolutely the best'. RAM's rates are currently within the top 3 received by intermediaries 86% of the time and The Company regularly receives calls of commendation from brokers of all sizes. RAM currently has a conversion rate in the region of 8-14% - and to back this up, it has a 99.4% retention rate (since April 2007). RAM currently insures a large proportion of the Police and Fire Brigade schemes in the Country as well as many of the more usual corporate schemes - and it has never received an FSA reportable complaint.

All risks RAM places are 100% underwritten at Lloyd's of London. Regardless of claims, RAM is not affected by potential scheme/portfolio loss ratios as this responsibility lies with Lloyd's. In the unlikely event that a Lloyd's syndicate decides to cease underwriting Group Life policies, the intention would be for RAM to continue administering the whole portfolio while a fresh syndicate is located, meaning absolutely no disruption or calls of concern for any Intermediary or its clients. In this unlikely situation, it would be in RAM's best interest to ensure any new syndicate is of excellent financial standing, recognised as robust within Lloyd's and has an outstanding record of claims settlement. The process would be seamless. All Syndicates are under Lloyd's' constant scrutiny and monitoring by way of internal audits which are far more involved and demanding than the equivalent audits of the FSA.

In the event of a valid claim, RAM pays the claim by using Lloyd's money which is held in an Escrow account to which both RAM and Lloyd's Underwriters have access – 99% of claims received by RAM have been settled within a week. Lloyd's ensure there are sufficient funds in the account at all times so claims can be paid promptly and smoothly.



All Lloyd's syndicates and policyholders benefit from Lloyd's central resources and the Central Fund. The Central Fund is available at the discretion of the Council of Lloyd's to meet any valid claim that cannot be met by the resources of any member or syndicate and all Lloyd's policies are ultimately backed by this common security. The fund is financed by (among other things) contributions from Lloyd's members and is administered by the Council, primarily as a fund for the protection of policyholders.

At the end of June 2010, the net assets of the Lloyd's Central Fund stood at £2,232 million – an increase of 7% from the end of 2009. In addition to this security, Lloyd's is part of the Financial Services Compensation Scheme, just like any other UK insurer.

A further testimony to the security of placing business into Lloyd's is the security ratings from the organisations below:



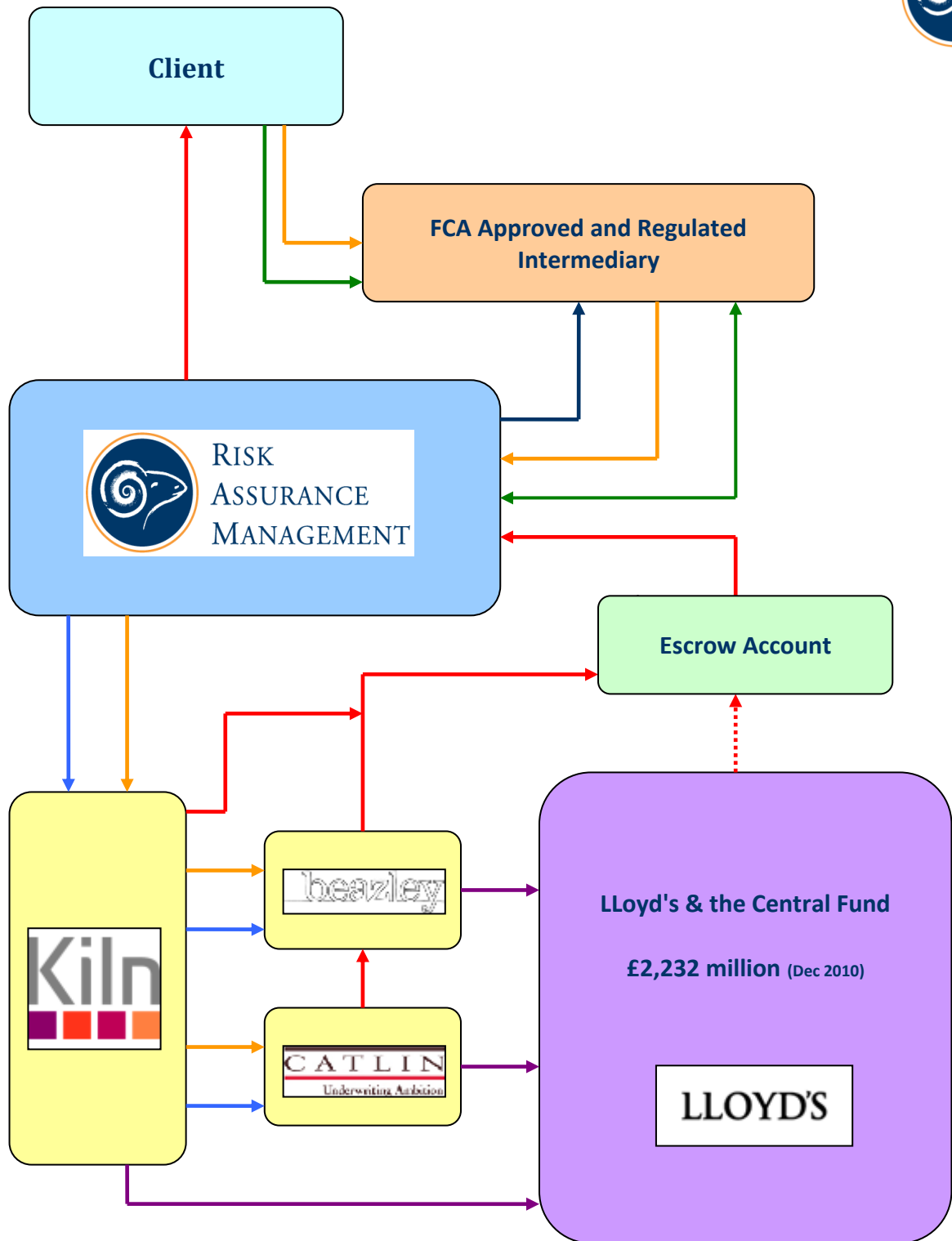
A 'Excellent' - Stable outlook

A+ 'Strong' - Stable Outlook

A+ 'Strong' - Stable Outlook

RAM currently administers schemes for three Lloyd's Syndicates and further syndicates are keen to be involved. If a syndicate was to remove themselves from the marketplace there are many other Life Syndicates at Lloyd's who would be more than happy to take their place, with immediate effect.

RAM has been established for almost 10 years, with many of the same staff working together for over 15 years and as it continues to grow month on month, there is no reason why the future of RAM should discontinue at any time.



Key:

- Quotation and administration communication
- Scheme Underwriting Administration
- Funds in the event of a claim
- Premium Payment
- Intermediary Commission (where applicable)
- Syndicate Investment into Lloyd's and the Central Fund