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THE REDWOODS GROUP AND RISK SPECIALISTS COMPANIES
LAUNCH JOINT VENTURE TO SERVE MGU MARKET

MORRISVILLE, NC – The Redwoods Group and Risk Specialists Companies, Inc., a Chartis company, have formed Redwoods Managers, Inc., to offer services that will improve the profitability, effectiveness and sustainability of managing general underwriters (MGUs). Bill Mecklenburg will serve as President and CEO of Redwoods Managers and will oversee its day-to-day operations.

Redwoods Managers will purchase minority interests in select MGUs and negotiate reinsurance terms for Chartis member insurance companies to participate in the MGUs' business. This will provide an infusion of capital into the MGUs, and Chartis' reinsurance participation will provide the MGUs an Enterprise Risk Management (ERM) hedge in the event that the incumbent carrier withdraws from the program or encounters difficulties. MGUs also will benefit from access to Redwoods Managers' consulting services in underwriting, risk management, claims handling, actuarial analysis and process improvement.

“The Redwoods Group has delivered consistent and profitable underwriting results for many years,” said Kevin A. Trapani, Chairman of the new company and President and CEO of The Redwoods Group, a commercial specialty insurance provider that is also an MGU. “Redwoods Managers was formed because we believe that The Redwoods Group model ought to be transferable to other discrete market segments. Redwoods Managers will utilize The Redwoods Group's program management expertise to influence and improve the risk bearing and operating results of other MGUs. This model not only includes a disciplined approach to specialty insurance, but it also emphasizes the necessity of being an agent of positive social change through its service to its employees, customers and communities.”

“We are pleased to have the opportunity to join forces with The Redwoods Group in forming Redwoods Managers because of its unique value proposition for all stakeholders. Redwood Managers will allow the MGUs it serves an opportunity to maximize the value of their return on capital, and we are proud to be working with Bill Mecklenburg on this

exciting new venture,” said Matthew Power, President of Risk Specialists Companies, Inc.

“Redwoods Managers is charting new territory that addresses critical concerns of many strategically focused MGUs,” said Kevin P. Donoghue, Managing Director, Mystic Capital Advisors Group, LLC, which provides financial consulting services to the insurance and financial services industries. “They have a unique proposition that enables an MGU to have a partial liquidity opportunity while maintaining control of the business. The MGU then gets access to the greater resources and ERM hedge that Redwoods Managers and Risk Specialists Companies will bring to the relationship.”

Mr. Mecklenburg added that, “There are a number of exceptional insurance carriers serving the needs of MGUs, but partnering with MGUs while maintaining their current carrier relationships differentiates our approach and will enable us to work with MGUs in a way that other, more traditional program carriers do not. This unique platform will offer the MGUs a significant ERM hedge, liquidity and revenue enhancement, while providing stability and risk-bearing alignment for the MGUs’ current insurers.”

Mr. Mecklenburg continued: “I am proud that the model has all the elements of ‘co-opetition’ instead of ‘competition,’ which is a powerful concept that should be well received in the market.”

Mr. Mecklenburg, 44, joined The Redwoods Group in 2006 as Executive Vice President and COO. Previously, he was a managing director of Guy Carpenter & Company. During his 18-year insurance career, Mecklenburg has held senior management positions at several insurance companies.

About The Redwoods Group

The Redwoods Group, a privately held, socially conscious company, provides property and casualty insurance underwriting and risk and claims management services to YMCAs, Jewish Community Centers and camps across the nation. The company’s business and social mission is to protect and improve the quality of life in the communities it serves. Its motto is to **Serve Others®**. For more information, please visit the company’s website at <http://www.redwoodsgroup.com>

About Chartis

Chartis is a world leading property and casualty and general insurance organization serving more than 40 million clients in over 160 countries and jurisdictions. With a 90-year history, one of the industry’s most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property and casualty and general insurance operations of Chartis Inc. For additional information, please visit the Chartis website at <http://www.chartisinsurance.com>