

A.M. Best Assigns A- (Excellent) Rating to Indemnity Insurance of DC Group and It's Members

INDEMNITY INSURANCE OF DC GROUP

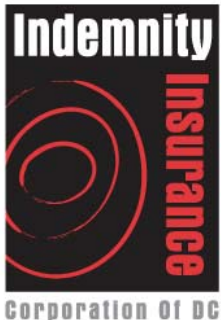
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AMB#: 18727

GROUP MEMBERS

Indemnity Insurance of DC Group (AMB# 18727):

<u>AMB#</u>	<u>COMPANY</u>	<u>RATING</u>
76553	Indemnity Ins Corp of DC, RRG	A- g
13863	Indemnity Reins Corp of DC Inc	A- g

OLDWICK, N.J., Apr. 17, 2008—A.M. Best Co. has assigned a financial strength rating of A- (Excellent) and issuer credit ratings of "a-" to **Indemnity Insurance of DC Group (IIDC)** and its members. The outlook for all ratings is stable. This rating applies to Indemnity Insurance Corporation of DC, RRG and Indemnity Reinsurance Corporation of DC, which are the owned and controlled insurance operating units of Indemnity Insurance of DC Group. The rating reflects the group's excellent capitalization levels, experienced management team, superior claims and loss control management, strict underwriting guidelines and a good geographic spread of risks. The Indemnity Insurance of DC Group benefits from a strong niche market focus derived from the 12 years of experience gained with this book of business from a commonly owned MGA that has been placing this business in the insurance marketplace for insureds in the entertainment industry. The group has met A.M. Best's stringent requirements for new company formations. The group's rating is a reflection of its ability to meet A.M. Best's onerous capitalization requirements, which mandate a more conservative level of risk-based capital to support its rating.



BUSINESS REVIEW

Indemnity Insurance of DC Group is composed of Indemnity Insurance Corporation of DC RRG, Inc., and Indemnity Reinsurance Corporation of DC Inc. Indemnity Insurance Corporation of DC RRG (IIC), Inc. is a Risk Retention Group formed in 2004 and domiciled in Washington, DC that operates as an association captive for the International Association of Entertainment Businesses Inc. A risk retention group (RRG) is a liability insurance company that is owned by its members. Under the Liability Risk Retention Act (LRRA), RRGs must be domiciled in one state. Once licensed by its state of domicile, an RRG can insure members in all states. The LRRA is a federal law, it preempts state regulation, making it much easier for RRGs to operate nationally. As insurance companies, RRGs retain risk and as insurance companies owned by their members, some of the key advantages offered by risk retention groups (RRGs) to their members relate to the control members obtain over their liability programs. This control often translates into lower rates, broader coverage, effective loss control/risk management programs, access to reinsurance markets, and stability of coverage.

Indemnity Reinsurance Corporation of DC Inc. (IRC) is an agency captive that was formed in 2003 and is also domiciled in Washington DC.

CAPITALIZATION

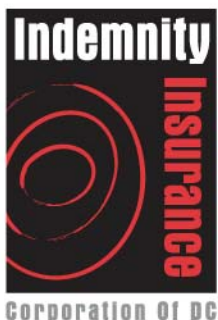
IICDC's overall capitalization is adequate based on Best's Capital Adequacy Ratio (BCAR) analysis of business projections and is supportive of its current rating level. The company's capitalization levels are subject to more stringent requirements due to the start up nature of the company. IICDC maintains a conservative investment strategy which is designed to ensure the preservation of invested assets and provide sufficient cash flow and liquidity to support daily operations and claims paying obligations.

REINSURANCE PROGRAMS

The general liability coverage has a net retention per policy of \$500,000, with the remaining \$500,000 reinsured by highly rated carriers. The excess general liability coverage limits are \$5 million per occurrence after a \$10,000 self-insured retention.

TERRITORY

The company is licensed in the District of Columbia. It is authorized in all other states under the Federal Liability Risk Retention Act and operates in AZ, CA, CO, CT, FL, GA, HI, ID, IL, KS, KY, LA, MA, MD, MN, MO, NC, NH, NV, NJ, NY, OH, OR, PA, SC, TN, TX, VA, and WI. Coverage written through IICDC is not subject to State or Surplus Lines Taxes. Any premium tax due from a sale of insurance is remitted to the domiciliary State and is the sole responsibility of IICDC, premium taxes are not charged in addition to the premiums written.



The following is an analysis comparing IICDC with the aggregate of 15 leading property and casualty companies which is intended to serve as a guide with respect to the current financial responsibility of the Indemnity Insurance of DC Group. The comparative data used herein is based on the current statutory financial statement data on file with the state insurance departments as of 12/31/07.

Assets to Liabilities *Assets for each \$100 of Liabilities. A wide margin of Assets over Liabilities is a significant factor in establishing the financial stability of an insurance carrier and the ability to meet all claim obligations as they become due.*

<u>Insurance Company</u>	<u>Ratio at 12/31/07</u>
Allstate Insurance Company	164.12
American Family Mutual Ins. Co.	157.58
American Home Assurance Co.	133.85
Continental Casualty Company	127.32
Farmers Insurance Exchange	135.88
Federal Insurance Company	176.68
GEICO	165.41
Liberty Mutual Insurance Co.	151.39
National Union Fire Ins. Co.	154.23
Nationwide Mutual Ins. Co.	162.57
State Farm Fire & Casualty Ins. Co.	163.41
State Farm Mutual Automobile Ins. Co.	254.07
St. Paul Fire & Marine Ins. Co.	153.09
USAA	334.26
Zurich American Ins. Co.	126.91
<u>Avg. 15 Lead Property & Casualty</u>	<u>168.12</u>
<u>IICDC GROUP</u>	<u>251.43</u>

Surplus to Loss Reserves *(Surplus per \$100 of loss reserves, including loss adjustment expense reserves). A high ratio of surplus including capital per \$100 of loss reserves shows significant proof of strength and stability.*

Average 15 Leading Property & Casualty Companies 120.31

IICDC GROUP **532.55**

Surplus to Net Premiums Written *Surplus including capital per \$100 of net premiums written. A large surplus ratio indicates the ability to maintain a proper balance between surplus and the volume of business written.*

Average 15 Leading Property & Casualty Companies 124.50

IICDC GROUP **565.73**

IICDC exceeds the key financial stability ratios of the Top 15 U.S. Property & Casualty Insurance Companies