



PRESS RELEASE

October 13, 2009

For Immediate Release

Contact: John Potyraj / IICDC Marketing / 410.472.6000

Indemnity Reinsurance Corporation Merges Into Indemnity Insurance Corporation of DC

Sparks, MD: Indemnity Reinsurance Corporation of DC (IRC) has been merged into its affiliate, Indemnity Insurance Corporation of DC, RRG (IICDC). The merger was approved by the District of Columbia's Department of Insurance, Securities and Banking effective October 1, 2009. The surviving entity will continue to conduct business as IICDC.

Jeffrey Cohen, president and founder of IDG Companies, states these entities merged so as, "To consolidate primary and reinsurance operations into a single, more efficient business entity that is better positioned to continue providing the exceptional service and claims support for which we are known." Cohen adds that, "There will be no change to work flow or our book of business because of this action and such a change will be transparent to our existing clients and business partners."

This announcement is made concurrently with A.M. Best Co. re-affirming that Indemnity Insurance Corporation of DC, RRG has retained a financial strength rating of A- (Excellent), a rating it first received in April 2008.

This is the second major organizational announcement from IICDC in recent weeks. In late September, IICDC announced that affiliate RTA, Inc. had agreed to acquire USAgencies Direct Insurance Company (USAD) from Affirmative Insurance Holdings, Inc. Cohen states that such intentions are pending approval from the New York Insurance Department. Upon the expected close of this transaction in the fourth quarter, IICDC plans to rename USAD as Indemnity Insurance Corporation of NY and commence operations as a commercial liability and property insurance underwriter through an admitted platform in the 16 states in which USAD is presently licensed to sell.

###

About IICDC

Indemnity Insurance Corporation of DC, Risk Retention Group (IICDC) is a specialty underwriter headquartered in Sparks, MD serving the entertainment and hospitality industries. IICDC provides a wide range of services from underwriting and legal review to loss control and claims management for: nightclubs and taverns; concert promoters/special events; and touring musicians.

IICDC was recently upgraded to financial size category of VII (\$50 Million to \$100 Million). A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) to IICDC and its members.

IICDC is licensed in the District of Columbia, authorized under the Federal Liability Risk Retention Act, and operates in the following states: AK, AL, AZ, CA, CO, CT, DC, FL, GA, HI, ID, IL, KS, KY, LA, MA, MD, MI, MN, MO, NC, NH, NJ, NV, NY, OH, OK, OR, PA, SC, TN, TX, VA, VT, WA, and WI.