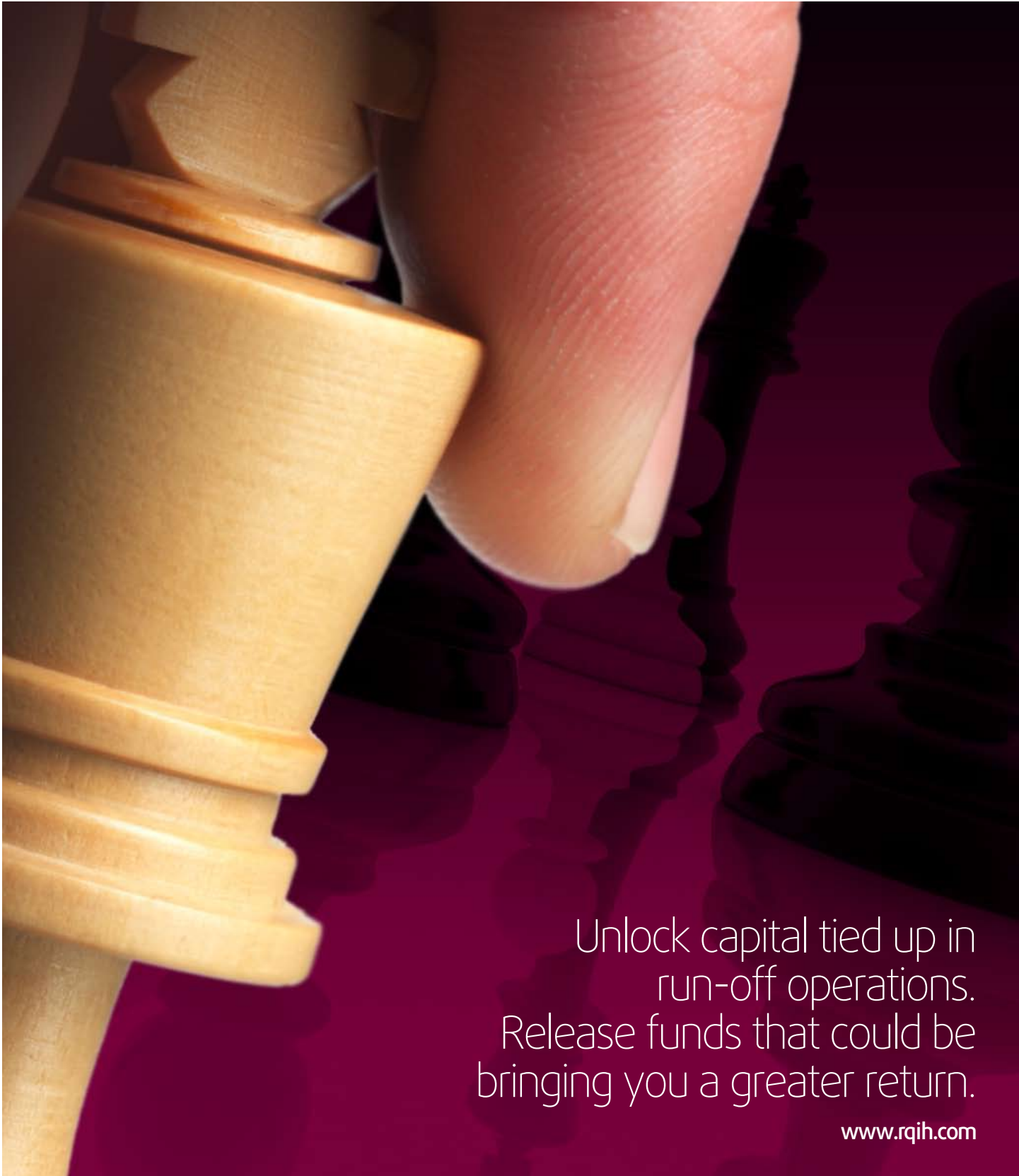


Insurance Investments Purchase of Legacy Insurance Companies



Unlock capital tied up in
run-off operations.
Release funds that could be
bringing you a greater return.

www.rqih.com

Insurance Investments Purchase of Legacy Insurance Companies

Insurance companies and portfolios of discontinued business can be a significant burden to live carriers, taking up a disproportionate amount of management time.

Run-offs often lock up large amounts of capital which could be better deployed in new growth areas with higher return potential.

Uncertainty provided by discontinued units can also raise the cost of capital and depress ratings.

R&Q's activities/services operate under the following 4 divisions:

Insurance Investments

- Purchase of legacy insurance/reinsurance companies/captives
- Liquidity management
- RITC

Insurance Services

- Claims management
- Reinsurance management
- Broker services
- Audit and inspection
- Accounting services
- Credit control
- Exit solutions
- Cover holder services
- Broker performance reporting

Underwriting Management

- Turnkey management
- Delegated underwriting facility
- Capital support

Captives

- Bundled & unbundled management services
- Rent a captive solutions
- Exit solutions

Insurance Investments

Purchase of Legacy Insurance Companies



What we do

Since establishment in 1992, R&Q has made a significant number of acquisitions of insurance companies in run-off.

R&Q currently has a portfolio of 8 insurance companies (2 in the UK, 3 in the US, 2 in Belgium and 1 in Guernsey) with gross assets of £538m as at 30 June 2009. Two acquisitions, the Woolworths captive in the UK and Goldstreet Insurance Company in the US were completed in the 2009 financial year.

The Group's focus remains on small to medium-sized run-off portfolios but we will look at larger books where the economics and strategic benefits are compelling.

R&Q's expertise in 'London Market' business means that the principal geographic focus remains in the UK and US but this will develop to take advantage of developments in the run-off market in Continental Europe, particularly ahead of Solvency II.

How we do it

R&Q has a dedicated team of in-house professionals focused on M&A with wide ranging industry and financial services experience.

To streamline the due diligence process R&Q has long-standing relationships with legal, accounting and tax firms in the UK, US and beyond.

R&Q has an ownership and management structure which facilitates quick decision making and a flexible approach.

R&Q enjoys strong capital backing from its financial partners and has significant existing resources to complete deals to tight deadlines if necessary.

Benefits

Selling insurance subsidiaries or portfolios of discontinued business can be highly beneficial to insurance groups as it:

- Removes unnecessary management distraction and allows renewed focus on the core operations;
- Unlocks trapped regulatory capital for use on higher return projects;
- Ends financial uncertainty from run-off reserve deterioration; and
- Brings potential rating and regulatory capital benefits.

R&Q enjoys a strong reputation with regulators in the UK, US and beyond and has a reputation for expert and fair claims management within the industry.

Flexible Structures

R&Q is able to offer flexible structures to vendors to suit their individual requirements which may include structuring the consideration to allow vendors to share in any future outperformance.

Who does it

Highly qualified and experienced team with a proven track record.

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