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**Delaware Captive Insurance Association (DCIA) Announces Developments  
In Delaware Captive Insurance Market  
Special Purpose Financial Captives Bill enacted as number of Delaware captives doubles**

Wilmington, Delaware, August 21, 2007 – Delaware's young but growing business as a home to captive insurance companies received a boost recently with the passage of HB214, which provides for the formation of special purpose financial captive insurance companies (SPFCs) in Delaware.

Passed on July 1, 2007 and signed by Delaware Governor Ruth Ann Minner on July 18, the law adds a new subchapter to Delaware's captive insurance law and provides for the authorization of special purpose financial captive insurance companies empowered to issue securities and otherwise access financial markets and alternative sources of capital through securitizations and other transactions. The legislation was developed in response to a surge in market interest in the issuance of insurance-linked securities coupled with market demand for flexible, well-regulated vehicles through which to issue those securities.

"This legislation will enhance Delaware's position as a captive insurance domicile by aligning its existing financial services capabilities to meet insurance market needs while providing appropriate regulatory oversight," said William P. White, Captive Insurance Administrator of the Delaware Department of Insurance.

Richard F. Klumpp, President of DCIA, noted that "Delaware's long history as the domicile of choice for capital markets vehicles, its infrastructure of professionals deeply familiar with capital markets needs, and its business-minded captive insurance regulatory team, and now its SPFC legislation, combine to make Delaware the ideal choice for insurance-linked securitizations and similar transactions." Mr. Klumpp also pointed out that "The swift development and passage of the SPFC bill, with the support and involvement of both DCIA and the Department of Insurance is another example of the public-private partnership that makes Delaware so attractive to business."

Delaware's efforts to become a more attractive domicile are gaining traction as the State has doubled its total number of licensed captive insurance companies since legislation was originally updated in 2005. The State has added four new captive insurance companies during the first six months of this year, increasing its licensed captive insurance companies to 10. Mr. Klumpp, said, "It is thrilling to see the hard work of everyone in Delaware beginning to pay off. Both the local service providers and the Department of Insurance have really stepped up to get the Delaware domicile moving. I expect to see Delaware's momentum continue to increase."

"Delaware has more than enough infrastructure to support these and many more new captives, we are in the first year of a long-term strategic plan focused on establishing Delaware as a premier domicile for captive insurance, and I am extremely pleased with our progress," Mr. White said. "Delaware is well-positioned to regulate its current captives and to add more. Our captive regulatory team has moved into new offices, conveniently located in Wilmington, and we

expect to be adding new members to that team. One distinct advantage Delaware has is that the entirety of the revenue collected from captives is available to the Insurance Commissioner for the regulation of those captives. Another big plus is the knowledge and commitment of the service provider community.”

Delaware expects to add more new captives before the end of 2007. “We are receiving numerous inquiries and have several structures at different stages of development,” Mr. White said. “We are currently developing a broad spectrum of projects, including complex capital markets transactions, traditional captive insurance programs, and some very creative and cutting-edge structures.”

#### **About Delaware Captive Insurance Association (DCIA)**

Founded in 2005, DCIA is a nonprofit organization that serves as the unified voice of the captive insurance industry in Delaware and supports the development and growth of the industry through marketing, networking, education and legislative initiatives. DCIA’s members include captive insurance companies, owners of captive insurance companies, and the managers, attorneys, accountants, actuaries, banks, consultants, claims administrators and other professionals who serve captive insurance companies.

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