



Letter to Clients, Brokers and Partners of Imagine

December 15, 2008

Subject: Imagine Insurance Company Limited, Barbados
Imagine International Reinsurance Limited, Dublin

Dear Sirs:

During last week's Imagine Insurance Company Limited (IICL) and Imagine Group Holdings Limited (IGHL) board meetings, the IICL and IGHL boards decided that IICL and its subsidiaries (including Imagine International Reinsurance Limited (IIRL)) would cease underwriting new insurance and reinsurance business. The respective boards instructed Imagine's senior management to prepare IICL and IIRL for an orderly runoff of all remaining reinsurance liabilities and to formally advise our clients, brokers and partners that A.M. Best and Fitch Ratings have been instructed to withdraw their respective financial strength ratings of IICL and IIRL with immediate effect.

We understand that A.M. Best and Fitch Ratings will need to evaluate this news and issue a press release advising that our financial strength ratings have been withdrawn at Imagine's request. As part of their standard operating procedure under these circumstances, it is possible one or both rating agencies will issue a rating downgrade prior to their formal removal of our rating. We did not want you to be surprised by this rating action should it happen.

This decision to cease writing new business was the result of a year long effort to explore strategic alternatives. One of those initiatives resulted in a decision to spin off Imagine's Lloyd's operations and we recently completed the sale of our Lloyd's entities to Max Capital in November 2008. The decision was not reached easily and does not reflect dissatisfaction with Imagine's past business activities or the profitability of its operations. From 2001 through 2007 Imagine produced consistent satisfactory profits for its shareholders. Although our results for 2008 have been negatively impacted by the credit crisis, worldwide financial market disruptions and downturn in reinsurance markets, our performance is in line with other reinsurance companies.

On behalf of Imagine's senior management team I would like to thank you for the professional relationship we have enjoyed with you over the years. We appreciate the support you have shown Imagine at various key junctures in our history and the business we concluded with you. During the run-off phase of the company we are committed to maintaining the same professional conduct we have shown you in the past.

If you have any questions please contact:

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Yours truly,

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