

Date: February 15, 2006

To our valued agents:

I am pleased to announce the appointment of Lloyd Cavalieri as Regional Manager for Contract Surety of IFIC's Walnut Creek Regional Office. Lloyd has been with International since November 2004. As many of you know he is an excellent surety professional. He has valuable previous experience working with other major surety writers as well as experience as a construction professional. As a result, Lloyd is uniquely qualified for this position.

Dorothy O'Connor, as Assistant Vice President – Commercial Surety, is the Regional Manager for commercial surety of IFIC's Walnut Creek Regional Office. Dorothy has done a great job with Colleen O'Hara, Assistant Regional Manager, in building a commercial surety franchise that fulfills our company's mission of providing rewarding relationships between our company and agents.

Kevin Chambers has left IFIC and we wish him well as he pursues other interests.

I would also like to take this opportunity to report to you on the preliminary 2005 FYE results of IFIC. We are pleased to announce that on an estimated \$86 million in direct written premium the company posted an underwriting profit of almost \$6 million. This resulted in a combined ratio of 89.7%. We are also pleased to announce that in late December 2005 the company injected \$10 million in new capital surplus notes. The company's capital and surplus grew from \$48 million at 12/31/04 to over \$62 million at 12/31/05 due to the surplus notes and underwriting profit.

We thank you for your business and appreciate the continued opportunity to have a relationship with you. Please feel free to contact me, Lloyd, Dorothy or Colleen with any questions or comments you might have.

Sincerely,



Robert W. Minster
SVP & CUO
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