

International Fidelity Insurance Company

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ANNOUNCEMENT

May 20, 2008

Newark, NJ

IFIC announces appointments of Tyler Adams and Jeff Chapin, AFSB as Regional Managers of its new Central Midwest Regional Profit Center.

Earlier this month, IFIC appointed Tyler Adams and Jeff Chapin as Regional Managers of its new Central Midwest Profit Center. This new Regional Profit Center will serve agents in the northern central Midwest region of the United States. Specifically this will include the states of Minnesota, Wisconsin, North & South Dakota, Iowa, Nebraska, Kansas, Wyoming and a portion of Missouri. This Central Midwest Profit Center will be staffed with two Regional Offices. Tyler Adams will open one of these in Lincoln, NB and Jeff Chapin will open the other in Cedar Rapids, Iowa.

Mr. Adams is a graduate of Iowa State University and began in the surety business as a trainee with Merchants in 1995. About half of his 13 years in the surety business was with Allied Insurance and was most recently with RLI.

Mr. Chapin, AFSB is a graduate of Wartburg College of Waverly, Iowa. During his 30 years in the surety business he first worked 23 years with United Fire and the balance with NAS.

Bob Minster, IFIC Executive Vice President, says: "The Midwest is a great place to do surety business and Tyler & Jeff will increase our business in this region. They will serve this territory with each running their own regional office. It is analogous to a law firm with offices in two cities, each with a managing partner. Jeff and Tyler have agreed to share responsibility jointly for this profit center's writings and losses. Tyler is an energetic, intelligent and service oriented professional. Jeff is well known, by agents, underwriters and reinsurers as one of the leading Midwest field underwriters in the industry."

About International Fidelity Insurance Company

IFIC is the largest independent writer of surety in the USA. With about \$114 million in writings and a combined ratio of 77 for 2007, the company is dedicated to the independent agency system specializing in surety through its network of 25 Regional Profit Centers. The company's 2007 year end statutory statement reports over \$86 million in capital and surplus with a debt-free balance sheet.

The company's mission is to: "...to be a leading middle market surety that consistently delivers the required return on investment to its shareholders by providing long-term rewarding relationships with its employees, agents and reinsurers..."