As filed with the Securities and Exchange Commission on September 17, 2007

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

MAIDEN HOLDINGS, LTD.

(Exact name of Registrant as specified in its charter)

Bermuda	**6331**	**N/A**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

7 Reid Street
Hamilton HM 11
Bermuda
(441) 295-5225
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

CT Corporation System
111 8th Avenue, 13th Floor
New York, New York 10011
(212) 590-9330
(*Name, address, including zip code, and telephone number, including area code, of agent for service*)

Copy to:

Matthew M. Ricciardi
LeBoeuf, Lamb, Greene & MacRae LLP
125 West 55th Street
New York, New York 10019
Telephone: (212) 424-8000
Facsimile: (212) 424-8500

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering	Proposed Maximum	Amount of Registration Fee

		Price per Share	Aggregate Offering Price (1)	
Common Shares, par value $0.01 per share	59,550,000	$ 9.00	$ 535,950,000	$ 16,454

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act. No exchange or over-the-counter market exists for the registrant's common shares; however, the registrant's shareholders have privately sold common shares using the PORTAL Market. The fee is based on the price of the registrant's common shares on September 13, 2007, which was reported on the PORTAL Market at a price of $9.00 per share.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 17, 2007

PROSPECTUS

59,550,000 Common Shares

The selling shareholders named in this prospectus are offering up to 59,550,000 of our common shares. The selling shareholders will receive all of the proceeds from the sale of the common shares, less any brokerage commissions, and therefore we will not receive any of the proceeds from their sale of our shares.

No public market currently exists for our common shares, and our common shares are not currently listed on any national exchange or market system. Application will be made to have our common shares approved for listing on the NASDAQ Global Market or the New York Stock Exchange under the symbol " ."

Investing in our shares involves significant risks. See "Risk Factors" beginning on page 6 of this prospectus to read about the risks you should consider before buying our shares.

None of the Securities and Exchange Commission (the "SEC"), any state securities regulators, the Registrar of Companies in Bermuda or the Bermuda Monetary Authority has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2007

CERTAIN IMPORTANT INFORMATION

For your convenience, we have included below definitions of terms used in this prospectus. In addition, we have provided a Glossary, beginning on page G-1, of selected insurance, reinsurance and investment terms.

In this prospectus, unless the context suggests otherwise:

- "Maiden Holdings," "the Company," "our company," "we," "us" or "our" refer to Maiden Holdings, Ltd. and Maiden Insurance Company, Ltd. ("Maiden Insurance"), our Bermuda reinsurance subsidiary; and

- "AmTrust" refers to AmTrust Financial Services, Inc. and its subsidiaries.

Potential investors are warned that financial information presented in this prospectus may not be indicative of our future operating results or financial performance.

Certain information contained in this prospectus with respect to AmTrust has been extracted from its filings with the SEC. We accept responsibility for the accuracy of such extraction, but accept no further responsibility in respect of such information. We have not independently verified such information.

In this prospectus, amounts are expressed in U.S. dollars and the financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), except as otherwise indicated.

We are in the process of filing for registration in the U.S. Patent and Trademark Office for the marks "Maiden Holdings, Ltd." and "Maiden Insurance Company, Ltd." All other brand names or trade names appearing in this prospectus are the property of their respective holders.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in us. You should read the entire prospectus carefully, including the sections entitled "Risk Factors," "A Warning About Forward-Looking Statements" and the financial information contained in this prospectus before investing in us. For your convenience, we have included a glossary beginning on page G-1 of selected reinsurance, insurance and investment terms.

Overview

We are a Bermuda holding company formed in June of 2007 to provide customized reinsurance products and services to subsidiaries of AmTrust Financial Services, Inc. ("AmTrust") and small insurance companies and managing general agents in the United States and Europe. We also plan to market to Lloyd's syndicates and program administrators. Reinsurance is an arrangement by which one insurance company, called the reinsurer, agrees to indemnify another insurance (or reinsurance) company, called the ceding company, against all or a portion of the insurance (or reinsurance) risks underwritten by the ceding company under one or more policies.

We were formed to capitalize on the market opportunities arising from the limited supply of traditional quota share and excess of loss reinsurance products. Under traditional quota share reinsurance, a reinsurer provides reinsurance coverage to an insurance company on a pro rata basis based on a ceding percentage without any provisions to limit meaningful losses within the contractual limits. Under excess of loss reinsurance, a reinsurer agrees to reimburse the cedent for all or part of any losses in excess of the cedent's retention, generally up to a predetermined limit, at which point the risk of loss is assumed by another reinsurer or reverts to the cedent. We plan to focus on primary insurers that specialize in products offering coverage at low limits or insuring risks which are believed to be low hazard, predictable and generally not susceptible to catastrophe claims. We plan to provide reinsurance solutions to such insurance companies, to enable them to improve their capacity and ability to deliver and market their products and services.

AmTrust, a publicly traded insurance holding company listed on the NASDAQ Global Market and headquartered in New York, is our first and largest customer pursuant to the quota share reinsurance agreement, effective as of July 1, 2007, whereby we reinsure 40% of their written premium (net of commissions, in the case of AmTrust's UK subsidiary), net of reinsurance with unaffiliated reinsurers, on their existing lines of business and, possibly, future lines of business. AmTrust receives from us a ceding commission of 31%, subject to adjustments, which is intended to cover its acquisition costs, and a 1.25% brokerage commission on all business that we reinsure from AmTrust. We also assumed, effective as of July 1, 2007, 40% of AmTrust's unearned premium reserve, which we expect to result in a transfer to us of approximately $125 million. Our reinsurance agreement with AmTrust's Bermuda reinsurance subsidiary, AmTrust International Insurance, Ltd. ("AII"), has an initial term of three years, and will be extended for further terms of three years unless either party elects not to renew. We believe that our relationship with AmTrust should enable us to achieve profitable growth in our first years of operations.

According to A.M. Best, there are more than 800 property and casualty insurance companies in the U.S. with less than $100 million in surplus. We plan to expand our client base by offering our products primarily to small insurance companies in the United States and Europe that could benefit from the additional underwriting capacity provided by reinsurance to expand their operations. We plan to pursue reinsurance opportunities with insurance companies, like AmTrust, that specialize in workers' compensation for small businesses in low and medium hazard classes, commercial property and casualty program business for discrete industry segments that are underwritten by managing general agents with appropriate expertise and extended warranty and specialty risk programs that are characterized by low coverage limits and high volume. We believe we will be able to offer our prospective reinsureds expertise in underwriting and administering specialty property and casualty business.

Maiden Insurance has received a financial strength rating of "A-" (Excellent) from A.M. Best, which is the fourth highest of fifteen rating levels. A rating from A.M. Best indicates A.M. Best's opinion of our financial strength and ability to meet ongoing obligations to our future policyholders.

Market Opportunity

We believe that insurance companies that underwrite specialty property and casualty products, such as workers' compensation for employers in specific low and medium hazard classes, commercial property and casualty programs for businesses in discrete industry segments and extended warranty and specialty risk programs, often do not receive appropriate consideration from reinsurers for their expertise, the risk profiles of their insureds, and the distinctions between their specialty products and general insurance products. We believe that this is especially true for small insurers. We believe the lack of reinsurance capacity with expertise in specialty property and casualty insurance is one of the key constraints on the growth of the business and of the insurers that underwrite it.

Business Strategy

In order to capitalize on our strategic relationship with AmTrust and the market opportunities we have identified in the property and casualty industry, we intend to pursue the following business strategies:

- *Rely on AmTrust as an Initial Principal Production Source*. Currently, our business consists of our quota share reinsurance agreement with a subsidiary of AmTrust. We project that a substantial amount of our reinsurance business will be derived from AmTrust while we gradually develop business opportunities from other distribution sources.

- *Deliver Reinsurance Solutions to Insurance Companies*. We plan to provide quota share and excess of loss reinsurance and other reinsurance solutions primarily to small insurers in the U.S. and Europe that could benefit from the additional underwriting capacity provided by reinsurance to expand their operations. We believe our management team's significant prior operating experience and extensive market relationships will provide significant opportunities to expand our reinsurance clients beyond AmTrust.

- *Strategic Acquisitions.* As we grow we will seek to augment our organic growth with strategic and accretive acquisitions of other reinsurers and attractive books of business. Our management team is experienced in reviewing and in executing acquisitions and integrations.

Competitive Strengths

We believe we have the following competitive strengths, which should position us to underwrite business profitably:

- *Access to Profitable Book of Business from AmTrust.* Pursuant to our quota share reinsurance agreement with AII and a related Master Agreement with AmTrust, we reinsure 40% of all the insurance business (net of reinsurance with unaffiliated reinsurers) of the types that AmTrust currently writes. AmTrust generated a weighted average net loss ratio of 64.7% for the three years ended December 31, 2006.

- *Bermuda-Based Operations*. We expect that our Bermuda-based operations will allow us to access reinsurance clients as well as to access Bermuda's well-developed network of reinsurance brokers. We believe that we will also benefit from Bermuda's pool of experienced professionals and Bermuda's favorable regulatory environment.

- *Strong Market Relationships*. We intend to market our reinsurance products principally through our management's industry contacts and through independent reinsurance intermediaries. We believe that our management team's significant prior operating experience and extensive relationships with program administrators, general agents, reinsurance companies and intermediaries should allow us to establish our presence in the reinsurance markets.

- *New Insurance Company*. As a newly formed company, we are unencumbered by historical liability exposures.

- *Access to Professional Asset Management through AmTrust.* AmTrust's investment management team has a proven track record of managing its asset portfolio. Our asset management agreement with AII Insurance Management Limited ("AIIM"), a subsidiary of AmTrust, enables us to benefit from this experience.

- *Experienced Management with Knowledge of Primary Insurance Companies and Products*. We have assembled a senior management team with extensive experience in underwriting specialty property and casualty business. Max G. Caviet, our President and Chief Executive Officer, has extensive relationships in the London and Bermuda reinsurance markets. Additionally, Barry D. Zyskind, our Chairman of the Board, has a proven track record of developing insurance, service and capital solutions for AmTrust and brings his industry experience to his role as our Chairman. See "Management."

Our Relationship with Founding Shareholders and AmTrust

Our founding shareholders, Michael Karfunkel, George Karfunkel and Barry Zyskind (the "Founding Shareholders"), who are Chairman of the Board of Directors, Director and Chief Executive Officer of AmTrust, respectively, collectively invested $50 million in exchange for 7,800,000 of our common shares. In connection with our formation and capitalization, we also granted the Founding Shareholders 10-year warrants to purchase an additional 4,050,000 common shares at an exercise price equal to $10.00 per share.

In addition to the reinsurance agreement with AII, we entered into an asset management agreement with AIIM, a subsidiary of AmTrust. AIIM is managing our investment portfolio for an annual fee of 0.35% of average invested assets plus costs. The asset management agreement has an initial term of one year and will be extended for additional terms of one year unless either party elects not to renew. Following the initial one-year term, the agreement may be terminated upon 30 days written notice by either party. The asset management agreement enables us to take advantage of AmTrust's asset management expertise in a cost-effective manner. We also entered into a reinsurance brokerage agreement with a subsidiary of AmTrust pursuant to which the subsidiary is providing reinsurance brokerage services to us in exchange for a 1.25% commission on all premiums we reinsure from AmTrust.

Our Chief Executive Officer, Max G. Caviet, and interim Chief Financial Officer, Ronald E. Pipoly, Jr., currently are AmTrust executives. We are in the process of hiring a permanent Chief Financial Officer who is expected to join Maiden in the fourth quarter of 2007. Mr. Caviet is expected to become a full-time employee of Maiden following a transition period which will not extend beyond December 31, 2007.

Our Challenges

As part of your evaluation of our company, you should take into account the challenges we face in implementing our strategies.

An investment in us is subject to numerous risks, including:

- *Dependence on AmTrust.* We are dependent on AmTrust for a significant portion of our business and may be exposed to conflicts of interest with AmTrust.
- *Insufficient Market Opportunities.* The market opportunities to write reinsurance of specialty property and casualty insurance may not materialize as we anticipate.
- *Start-up Company.* We are a new company with a limited operating history and may be unable to establish our infrastructure and operations successfully.
- *Provisional Management Team.* Certain of our senior executives are employees of AmTrust who we expect will work for us only temporarily or have only provisional employment agreements. There is no assurance that our executives with provisional employment agreements will remain employed by us.
- *Ratings.* Our A.M. Best rating could be downgraded, which could significantly impair our ability to conduct business.
- *Losses in Excess of Expectations.* Our actual losses under our reinsurance agreements could exceed, perhaps substantially, the reserves we establish, resulting in a reduction to our net income.
- *Tax.* The taxation of Maiden Holdings and our shareholders may differ from the anticipated tax consequences, which could significantly impair our results and the value of an investment in our common shares.

For a description of these and other risks relating to an investment in our common shares, see "Risk Factors" beginning on page 6.

Private Offering

On July 3 and July 13, 2007, we sold an aggregate of 51,750,000 common shares in a private placement exempt from registration under the Securities Act, which we refer to in this prospectus as the private offering, at a purchase price of $9.30 per share to Friedman, Billings, Ramsey & Co., Inc., the initial purchaser of some of the shares, and directly to certain investors. Friedman, Billings, Ramsey & Co., Inc. resold the shares it purchased to investors pursuant to Rule 144A and Regulation S under the Securities Act. We raised approximately $480.6 million in net proceeds from the private offering. We used approximately $450 million of these proceeds and the $50.0 million our Founding Shareholders invested in us, a total of approximately $500 million, to capitalize Maiden Insurance, our reinsurance subsidiary.

In connection with the private offering, we entered into a registration rights agreement for the benefit of the holders of the shares sold in the private offering. We also entered into a registration rights agreement with our Founding Shareholders with respect to their ownership of 7,800,000 of our common shares, which are being registered pursuant to the registration statement of which this prospectus is a part, and 4,050,000 common shares issuable upon exercise of the warrants we granted to our Founding Shareholders. See "Description of Share Capital—Registration Rights."

Determination of Offering Price for this Offering

Because all of the shares being offered under this prospectus are being offered by the selling shareholders, we cannot currently determine the price or prices at which our common shares may be sold under this prospectus. Prior to the offering pursuant to this prospectus, there has been no public market for our common shares. We are aware that, prior to the date of this prospectus, certain qualified institutional buyers of our common shares in our private offering, which was completed in July 2007, have traded our common shares on the PORTAL Market. To our knowledge, the most recent price at which shares were resold on the PORTAL Market was $9.00 per share on September 13, 2007. We determined the $10.00 offering price per share in the private offering in consultation with the initial purchaser of many of the shares in the private offering. In making such determination, we considered many factors, including our business strategy and the amount of capital we needed to raise in the private offering to implement our business strategy, the business we expected to receive from AmTrust, the market demand for our shares and our capital structure.

The selling shareholders may sell all or a portion of the common shares offered by this prospectus from time to time in market transactions through any stock exchange or automated interdealer quotation system on which the common shares are listed or quoted at the time of sale, in the over-the-counter market, in privately negotiated transactions or otherwise, and at prices and on terms that will be determined based on market prices prevailing at the time of sale, or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. We cannot assure you that the selling shareholders will sell all or any portion of the common shares offered by this prospectus. See "Plan of Distribution."

Our Organization

Maiden Holdings was originally incorporated in May 2007 under Cayman Islands law. We have since changed our jurisdiction of organization to Bermuda by discontinuing from the Cayman Islands, continuing into Bermuda as a Bermuda exempted company and amalgamating with a new Bermuda company to form Maiden Holdings, Ltd. Our reinsurance subsidiary, Maiden Insurance, was incorporated on June 29, 2007 and Maiden Insurance commenced writing business effective as of July 1, 2007.

How to Contact Us

Our principal executive office is located at 7 Reid Street, Hamilton HM 11, Bermuda and our telephone number is (441) 295-5225.

THE OFFERING

Shares offered by the selling shareholders:	A total of up to 59,550,000 common shares held by the selling shareholders, consisting of the following: 51,750,000 common shares sold in the private offering and 7,800,000 common shares held by the Founding Shareholders. The selling shareholders may or may not sell any or all of the common shares that have been registered by us.
Shares outstanding:	59,550,000 common shares. Our outstanding shares exclude: · 4,050,000 common shares issuable upon the exercise of the warrants we issued to our Founding Shareholders; and · 461,000 common shares issuable upon the exercise of outstanding stock options we granted to non-employee directors and certain officers of our company; and · 2,339,000 additional common shares available for issuance under our 2007 Share Incentive Plan.
Dividends:	For the quarter ending September 30, 2007, our board of directors has authorized the payment of a cash dividend of $0.025 per common share to our shareholders of record on October 1, 2007 with a payment date of October 15, 2007. Our board of directors currently intends to authorize the payment of a quarterly cash dividend of $0.025 per common share to our shareholders of record each quarter thereafter. Any determination to pay dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant, including Bermuda legal and regulatory constraints.
Use of proceeds:	We will not receive any of the proceeds from the sale by selling shareholders of our common shares.
Trading:	No public market currently exists for our common shares, and our common shares are not currently listed on any national exchange or market system. Application will be made to have our common shares approved for listing on the NASDAQ Global Market or the New York Stock Exchange.

RISK FACTORS

An investment in our shares involves a high degree of risk. Before making an investment decision, you should carefully consider all of the risks described in this prospectus. If any one or more of the risks discussed in this prospectus actually occurs, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the price of our shares could decline significantly and you may lose all or a part of your investment. The risk factors described below are not the only ones that may affect us. Additional risks and uncertainties that we do not currently know about or that we currently deem immaterial may also adversely affect our business, financial condition and results of operations. See "A Warning About Forward-Looking Statements."

Risks Related to Our Business

We are dependent on AmTrust and its subsidiaries for a substantial portion of our business.

We will derive substantially all of our reinsurance business from AmTrust and its subsidiaries during our initial years of operation. We commenced our reinsurance business by providing traditional quota share reinsurance to AmTrust through a reinsurance agreement with AII, assuming initially a 40% quota share portion of the net liabilities less recoveries of the policies written by AmTrust. In addition, AmTrust has advised us that we may have an opportunity to participate in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program, subject to the negotiation of mutually acceptable terms.

Accordingly, we are dependent on AmTrust and its subsidiaries for a substantial portion of our business. Our quota share reinsurance agreement with AII has an initial term of three years, subject to certain early termination provisions (including if the A.M. Best rating of Maiden Insurance is reduced below "A-") and our asset management agreement with an AmTrust subsidiary has an initial term of one year, subject to certain early termination provisions. The reinsurance agreement and the asset management agreement will be extended for additional terms of three years and one year, respectively, unless either party elects not to renew. There is no assurance that any of these agreements or our reinsurance brokerage agreement with AmTrust will not terminate. The termination of the reinsurance agreement would significantly reduce our revenues during our initial years of operation and the termination of any of these agreements would increase our dependence on third-party insurance companies, managing general agents, reinsurance brokers and other service providers to support our business and would have a material adverse effect on us. For a description of certain of the early termination provisions, see "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries." At the same time, there are risks related to the business of AmTrust and its insurance subsidiaries that may adversely impact our ability to continue doing business with them. See "— Our business relationship with AmTrust and its subsidiaries may present, and make us vulnerable to, difficult conflicts of interest, related party transactions, business opportunity issues and legal challenges."

Due to the business relationship between us and AmTrust and AII, we have substantial credit exposure to them. AmTrust is a holding company, and we have no contractual relationships with any of its subsidiaries that write insurance, other than AII. We are not entitled to the same rights as a reinsurance company with a direct contractual relationship with AmTrust's insurance subsidiaries. Any failure by AmTrust or AII to honor obligations to us, whether due to inability or refusal to perform, or otherwise, would likely have a material adverse effect on us.

Our business relationship with AmTrust and its subsidiaries may present, and make us vulnerable to, difficult conflicts of interest, related party transactions, business opportunity issues and related legal challenges.

We entered into a quota share reinsurance agreement with AII, AmTrust's Bermuda reinsurance subsidiary, which reinsures AmTrust's insurance company subsidiaries, and a master agreement with AmTrust, pursuant to which we and AmTrust agreed that we will cause Maiden Insurance to enter into a quota share reinsurance agreement. The asset management agreement with an AmTrust subsidiary, the reinsurance brokerage agreement with an AmTrust subsidiary, the warrants issued to our Founding Shareholders and the provisional employment agreements with Max G. Caviet and Ben Turin were negotiated while we were an affiliate of AmTrust. These circumstances could increase the likelihood that the Internal Revenue Service (the "IRS") would claim that the agreements between us and AmTrust were not concluded on an arm's-length basis and any such assertion, if not disproved by us, could result in adverse tax consequences to us. We may also participate as a reinsurer in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program.

In addition, we plan to meet our financial objectives during the first three years primarily through our relationship with AmTrust, while gradually developing business opportunities from other distribution sources. Therefore, we will be heavily dependent on AmTrust, at least initially, to achieve our business objectives. Because (i) our Founding Shareholders collectively own approximately 57% of the outstanding shares of AmTrust's common stock, (ii) our Founding Shareholders sponsored our formation, (iii) our Founding Shareholders' common shares, together with the 10-year warrants to purchase additional common shares that we issued to our Founding Shareholders in connection with our formation and capitalization, represent approximately 18.6% of our outstanding common shares assuming all of the warrants are exercised, and (iv) we have overlapping executive management, as described below, we therefore may be deemed an affiliate of AmTrust. Due to our close business relationship with AmTrust, we may be presented with situations involving conflicts of interest with respect to the agreements and other arrangements we will enter into with AmTrust and its subsidiaries, exposing us to possible claims that we have not acted in the best interest of our shareholders.

Barry D. Zyskind, our Chairman of the Board, is the President and Chief Executive Officer of AmTrust and Ronald E. Pipoly, Jr., our interim Chief Financial Officer, is the Chief Financial Officer of AmTrust and, as such, neither of them serves our company on a full-time basis. In addition, Max G. Caviet, our Chief Executive Officer, is currently employed by AmTrust as an executive officer and is expected to continue to serve in his current positions at AmTrust on a transitional basis. As such, he will not serve our company on a full-time basis during the transitional period which will not extend beyond December 31, 2007. In addition, Mr. Caviet will continue to own options and equity in AmTrust. Furthermore, other members of our executive management, including our Chief Operating Officer, are former managers of AmTrust. Conflicts of interest could arise with respect to business opportunities that could be advantageous to AmTrust or its subsidiaries, on the one hand, and us or our subsidiary, on the other hand. In addition, potential conflicts of interest may arise should the interests of AmTrust and Maiden Holdings diverge. Because AmTrust is currently our largest and most important customer, AmTrust has the ability to significantly influence such situations.

The arrangements between us and AmTrust were modified somewhat after they were originally entered into and there could be future modifications. See "Certain Relationships and Related Transactions."

Mr. Zyskind's service as our Chairman of the Board and President and Chief Executive Officer of AmTrust, Mr. Pipoly's service as our interim Chief Financial Officer and Chief Financial Officer of AmTrust, and Mr. Caviet's service as our President and Chief Executive Officer and, for a transitional period, as president of two of AmTrust's subsidiaries could also raise a potential challenge under anti-trust laws. Section 8 of the Clayton Antitrust Act, or the Clayton Act, prohibits a person from serving as a director or officer in any two competing corporations under certain circumstances. If Maiden Holdings and AmTrust are in the future deemed to be competitors within the meaning of the Clayton Act, certain thresholds relating to direct competition between Maiden Holdings and AmTrust are met, and the Department of Justice and Federal Trade Commission challenge the arrangement, Messrs. Zyskind, Pipoly and Caviet may be required to resign their positions with one of the companies, and/or fines or other penalties could be assessed against Messrs. Zyskind, Pipoly and Caviet, and Maiden Holdings.

If the market opportunities for writing reinsurance of specialty property/casualty insurance in the United States and Europe do not materialize as we expect, our dependence on AmTrust for substantially all of our business will continue, and our financial condition and results of operations may be materially adversely affected.

We believe that significant market opportunities will arise for reinsurers that understand how to underwrite specialty property/casualty insurance and are willing to provide traditional quota share reinsurance. However, we cannot assure you that the opportunities for writing specialty property/casualty reinsurance will materialize as we expect. Other companies might offer specialty property/casualty reinsurance products on more competitive terms than we can provide. Under these circumstances, we might not be able to expand our specialty property/casualty reinsurance business beyond our reinsurance agreement with a subsidiary of AmTrust, which would increase our dependence on AmTrust and have a material adverse effect on our ability to fully implement our business strategy as well as on our financial condition and results of operations.

We are a start-up company. If we are unable to implement our business strategy or operate our business as we currently expect, our results may be adversely affected.

We have just recently commenced operations and have limited name recognition and reputation in the reinsurance industry. Businesses, such as ours, which are starting up or in their initial stages of development, present substantial business and financial risks and may suffer significant losses. While we commenced our operations using senior management who are experienced in the property and casualty insurance industry, no assurance can be given that their relationships in the industry will be successfully transferred to our company. We may also be limited in pursuing certain business opportunities due to our relationship with AmTrust. For example, direct competitors of AmTrust may refuse to do business with us. Further, we must hire new key employees and other staff, develop business relationships, establish operating procedures, obtain facilities, implement new systems, obtain regulatory approvals and complete other tasks necessary for the conduct of our intended business activities. In addition, as a result of industry factors or factors specific to us, we may have to alter our anticipated methods of conducting our business, such as the nature, amount and types of risks we assume.

We have a very limited operating history. Our future performance cannot be predicted based on the historical performance of AmTrust.

As a recently formed company, we have a very limited operating history on which you can base an estimate of our future earnings prospects. While we expect that the reinsurance ceded by AmTrust will initially provide substantially all of our business, there can be no assurance that the historical experience of AmTrust's insurance companies will accurately reflect our future performance. We will also seek to conduct business with insurance companies other than AmTrust. In addition, we plan to write excess of loss reinsurance. Because the frequency of claims tends to be lower and the severity of claims tends to be higher in excess of loss reinsurance than in quota share reinsurance, our underwriting results can be expected to be more volatile than if we wrote only quota share reinsurance. At the present time, we cannot predict which insurance companies will do business with us. Accordingly, our projections for our business are extremely speculative. You may not have access to all of the financial information that would be helpful in deciding whether to invest in our shares.

We are dependent on our key executives. We may not be able to attract and retain key employees or successfully integrate our new management team to fully implement our newly formulated business strategy.

Our success depends largely on the senior management of Maiden Holdings, which includes, among others, Barry D. Zyskind, our Chairman of the Board, Max G. Caviet, our President and Chief Executive Officer, Ronald E. Pipoly, Jr., our interim Chief Financial Officer, and Ben Turin, our Chief Operating Officer and General Counsel. We have entered into employment agreements only with Messrs. Caviet and Turin and, as discussed below, these agreements with Messrs. Caviet and Turin are provisional. Mr. Zyskind, our Chairman of the Board, is the President and Chief Executive Officer of AmTrust and is not employed by us, and therefore he will devote only limited time to our company. Mr. Pipoly is the Chief Financial Officer of AmTrust, and therefore he will not devote all of his time to our company. In addition, Mr. Caviet is currently employed by AmTrust as an executive officer and is expected to continue to serve in his current positions at AmTrust on a transitional basis. As such, Mr. Caviet will not serve our company on a full-time basis during the transitional period which will not extend beyond December 31, 2007. Messrs. Caviet and Turin have only provisional employment agreements with us (with a term not extending beyond December 31, 2007) while we negotiate definitive employment agreements with them. We have attempted to structure their compensation to provide incentives for them to agree to definitive employment agreements (see "Management — Employment Agreements"), but we cannot assure you that we will be able to agree to mutually acceptable definitive employment agreements with Messrs. Caviet or Turin. If we are unable to reach a definitive agreement with Mr. Caviet before December 31, 2007, we will lose his services and he will remain in his positions at AmTrust on a full-time basis. If we are unable to reach a definitive agreement with Mr. Turin, he will remain in his position with our company and his provisional agreement will be extended until June 30, 2008.

Further, we must attract and retain additional experienced underwriters, actuarial staff and risk analysts and modeling personnel in order to successfully operate and grow our business, none of whom have been hired at this time. After our management team and other personnel are assembled, our ability to implement our business strategy will depend on their successful integration. The number of available, qualified personnel in the reinsurance industry to fill these positions may be limited.

Our inability to attract and retain these additional personnel or the loss of the services of any of our senior executives or key employees could delay or prevent us from fully implementing our business strategy and could significantly and negatively affect our business. In addition, we cannot assure you that we will successfully integrate our executive or other personnel after we commence operations.

Maiden Insurance has received a financial strength rating of "A-" (Excellent) from A.M. Best. Our inability to maintain such rating for Maiden Insurance, a poor rating or a future downgrade in its ratings would adversely affect our competitive position with customers, our standing among brokers, managing general agents and insurance company clients, would give AmTrust the right to terminate our reinsurance agreement with it and would have an adverse effect on our ability to meet our financial goals.

Competition in the types of insurance business that we intend to reinsure is based on many factors, including the perceived financial strength of the insurer and ratings assigned by independent rating agencies. A.M. Best is generally considered to be the most important rating agency in connection with the evaluation of reinsurance companies by their customers. Generally, the objective of the rating agencies' rating systems is to provide an opinion of an insurer's financial strength and ability to meet ongoing obligations to its policyholders and are not evaluations directed to investors in a company's securities or recommendations to buy, sell or hold such securities. A.M. Best maintains a letter scale rating system ranging from "A++" (Superior) to "F" (In Liquidation). A.M. Best's ratings are generally based on a quantitative evaluation of a company's performance with respect to profitability, leverage and liquidity and a qualitative evaluation of spread of risk, investments, reinsurance programs, reserves and management. In addition, its ratings take into consideration the fact that we are just commencing our operations. A reinsurer's ratings are used by ceding companies, retrocessional reinsurers and reinsurance intermediaries as an important means of assessing the financial strength and quality of the reinsurer. In addition, the rating of a company seeking reinsurance, also known as a ceding company, may be adversely affected by the lack of a rating of its reinsurer. Therefore, the lack of a rating or a poor rating may dissuade a ceding company from reinsuring with us or may influence a ceding company to reinsure with a competitor of ours.

Maiden Insurance has received a financial strength rating of "A-" (Excellent) from A.M. Best, which is the fourth highest of fifteen rating levels. A rating from A.M. Best indicates A.M. Best's opinion of our financial strength and ability to meet ongoing obligations to our future policyholders.

The rating of Maiden Insurance is subject to periodic review by, and may be revised downward or revoked at the sole discretion of, A.M. Best. A.M. Best formally evaluates its financial strength ratings of insurance companies at least once every twelve months and monitors the performance of rated companies throughout the year. The maintenance of the assigned rating will depend upon Maiden Insurance operating substantially as our management has represented to A.M. Best. If A.M. Best subsequently downgrades the Company's rating below "A-," AmTrust would have the right to terminate the reinsurance agreement between Maiden Insurance and AmTrust, the competitive position of Maiden Insurance would suffer, and its ability to market its products, to obtain customers and to compete in the reinsurance industry would be adversely affected. A subsequent downgrade, therefore, could result in a substantial loss of business because AmTrust and our other insurance and reinsurance company clients may move to other reinsurers with higher claims paying and financial strength ratings.

We may require additional capital in the future, which may not be available on favorable terms or at all.

Our future capital requirements will depend on many factors, including our ability to write new business successfully and to establish premium rates and reserves at levels sufficient to cover our losses. We used approximately $450 million of the $500 million in net proceeds we received from the private offering and the $50.0 million our Founding Shareholders invested in us to capitalize Maiden Insurance. We may need to raise additional funds to further capitalize Maiden Insurance. We anticipate that any such additional funds would be raised through equity or debt financings. In addition, we may enter into an unsecured revolving credit facility and a term loan facility with one or more syndicates of lenders. We currently have no commitment from any lender with respect to a credit facility or a loan facility. Any equity or debt financing, if available at all, may be on terms that are not favorable to us. If we are able to raise capital through equity financings, the interest of shareholders in our company would be diluted, and the securities we issue may have rights, preferences and privileges that are senior to those of our common shares. If we cannot obtain adequate capital, our business, results of operations and financial condition could be adversely affected.

We may not be able to manage our growth effectively.

We intend to grow our business in the future, which could require additional capital, systems development and skilled personnel. We cannot assure you that we will be able to meet our capital needs, expand our systems effectively, allocate our human resources optimally, identify and hire qualified employees or incorporate effectively the components of any businesses we may acquire in our effort to achieve growth. The failure to manage our growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

Our business could be adversely affected by Bermuda employment restrictions.

We intend to hire a certain number of non-Bermudians to work for us in Bermuda. Under Bermuda law, non-Bermudians (other than spouses of Bermudians, holders of permanent residents' certificates and holders of working residents' certificates) may not engage in any gainful occupation in Bermuda without a valid government work permit. A work permit may be granted or renewed upon showing that, after proper public advertisement, no Bermudian, spouse of a Bermudian, or holder of a permanent resident's or working resident's certificate who meets the minimum standards reasonably required by the employer has applied for the job. The Bermuda government's policy places a six year term limit on individuals with work permits, subject to certain exemptions for key employees. A work permit is issued with an expiry date (up to five years) and no assurances can be given that any work permit will be issued or, if issued, renewed upon the expiration of the relevant term. We expect that some of the non-Bermudians whom we intend to hire will be granted periodic work permits by the Bermuda government. A periodic work permit allows the holder to stay in Bermuda for no longer than twenty-one consecutive days at one time. We may not be able to use the services of one or more of our non-Bermudian employees if we are not able to obtain work permits for them, which could have a material adverse effect on our business, financial condition and results of operations.

Our actual insured losses may be greater than our loss reserves, which would negatively impact our financial condition and results of operations.

We expect that our success will depend upon our ability to assess accurately the risks associated with the businesses that we will reinsure. Significant periods of time often elapse between the occurrence of an insured loss, the reporting of the loss to an insurer and the reporting of the loss by the insurer to its reinsurer. After we begin to write reinsurance business and to recognize liabilities for unpaid losses, we will establish loss reserves as balance sheet liabilities. These reserves will represent estimates of amounts needed to pay reported losses and unreported losses and the related loss adjustment expense. Loss reserves are only an estimate of what an insurer or reinsurer anticipates the ultimate costs of claims to be and do not represent an exact calculation of liability. Estimating loss reserves is a difficult and complex process involving many variables and subjective judgments, particularly for new companies, such as ours, that have no loss development experience. As part of our reserving process, we will review historical data as well as actuarial and statistical projections and consider the impact of various factors such as:

- trends in claim frequency and severity;
- changes in operations;
- emerging economic and social trends;
- inflation; and
- changes in the regulatory and litigation environments.

This process assumes that past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. There is no precise method, however, for evaluating the impact of any specific factor on the adequacy of reserves, and actual results are likely to differ from original estimates. In addition, unforeseen losses, the type or magnitude of which we cannot predict, may emerge in the future. We will establish or adjust reserves for Maiden Insurance in part based upon loss data received from the ceding companies with which we do business, including AmTrust. Since there is a time delay that elapses between the receipt and recording of claims results by the ceding insurance companies or by the managing general agents and the receipt and recording of those results by us, reserves for Maiden Insurance will be more difficult to timely and accurately estimate.

Furthermore, Maiden Insurance is a newly formed company, and other than through its traditional quota share reinsurance business from AmTrust, it will have very limited loss experience and a relatively small population of underlying risks for at least our early years. Therefore, Maiden Insurance will be exposed to an increased likelihood that actual results may not conform to our estimates.

To the extent our loss reserves are insufficient to cover actual losses and loss adjustment expenses, we will have to adjust our loss reserves and may incur charges to our earnings, which could have a material adverse effect on our business, financial condition and results of operations.

Our business will be dependent upon reinsurance brokers, managing general agents and other producers and the failure to develop or maintain these relationships could materially adversely affect our ability to market our products and services.

We intend to market our reinsurance products primarily through brokers, managing general agents and other producers. We expect that we will derive a significant portion of our business from a limited number of brokers and managing general agents. While we intend to rely on the industry relationships and relationships with a number of brokers, managing general agents and other producers that our senior management team has developed, our failure to further develop or maintain relationships with brokers and managing general agents from whom we expect to receive our business could have a material adverse effect on our business, financial condition and results of operations.

Our reliance on brokers subjects us to their credit risk.

In accordance with industry practice, we anticipate that we will frequently pay amounts owed on claims under our reinsurance contracts to brokers, and these brokers in turn are required to pay and will pay these amounts over to the clients that have purchased reinsurance from us. If a broker fails to make such a payment, in a significant majority of business that we will write, it is highly likely that we will be liable to the client for the deficiency under local laws or contractual obligations, notwithstanding the broker's obligation to make such payment. Likewise, when the client pays premiums for these policies to brokers for payment over to us, these premiums are considered to have been paid and, in most cases, the client will no longer be liable to us for those amounts, whether or not we actually receive the premiums from the brokers. Consequently, we will assume a degree of credit risk associated with brokers with whom we work, with respect to most of our reinsurance business.

The occurrence of severe catastrophic events may have a material adverse effect on our financial results and financial condition.

Initially, we intend to underwrite primarily reinsurance of workers' compensation risks and extended warranty risks, which we believe have a lower exposure to catastrophic events than commercial property and casualty insurance. We also expect to reinsure some commercial property and casualty insurance and, as a part of that reinsurance, we could accumulate substantial aggregate exposures to natural and man-made disasters, such as hurricane, typhoon, windstorm, flood, earthquake, acts of war, acts of terrorism and political instability. The incidence and severity of catastrophes, such as hurricanes, windstorms and large-scale terrorist attacks, are inherently unpredictable, and our losses from catastrophes could be substantial. In addition, it is possible that we may experience an unusual frequency of smaller losses in a particular period. In either case, the consequences could be substantial volatility in our financial condition or results of operations for any fiscal quarter or year, which could have a material adverse effect on our financial condition or results of operations and our ability to write new business. These losses could eliminate our shareholders' equity. Increases in the values and geographic concentrations of insured property and the effects of inflation have resulted in increased severity of industry losses from catastrophic events in recent years and we expect that those factors will increase the severity of catastrophe losses in the future.

The property and casualty insurance and reinsurance industry is cyclical in nature, which may affect our overall financial performance.

Historically, the financial performance of the property and casualty insurance and reinsurance industry has tended to fluctuate in cyclical periods of price competition and excess capacity (known as a soft market) followed by periods of high premium rates and shortages of underwriting capacity (known as a hard market). Although an individual insurance or reinsurance company's financial performance is dependent on its own specific business characteristics, the profitability of most property and casualty insurance and reinsurance companies tends to follow this cyclical market pattern. Beginning in 2000 and accelerating in 2001, the property and casualty insurance and reinsurance industry experienced a market reflecting increasing premium rates and more conservative risk selection. We believe these trends slowed beginning in 2004 and that the current market has transitioned to a more competitive environment in which underwriting capacity and price competition has increased. This additional underwriting capacity may result in increased competition from other insurance and reinsurance companies expanding the types or amounts of business they write, or from companies seeking to maintain or increase market share at the expense of underwriting discipline. Because this cyclicality is due in large part to the actions of our competitors and general economic factors beyond our control, we cannot predict with certainty the timing or duration of changes in the market cycle. These cyclical patterns, the actions of our competitors, and general economic factors could cause our revenues and net income to fluctuate, which may cause the price of our common stock to be volatile.

A decline in the level of business activity of AmTrust's workers' compensation policyholders could negatively affect our earnings and profitability.

Under our quota share reinsurance agreement with AII, a significant portion of our business will be workers' compensation insurance written by AmTrust. In 2006, over half of AmTrust's gross premiums were derived from workers' compensation insurance, and nearly all of AmTrust's workers' compensation gross premiums written were derived from small businesses. Because workers' compensation premium rates are calculated, in general, as a percentage of a policyholder's payroll expense, premiums fluctuate depending upon the level of business activity and number of employees of the policyholders. Because of their size, small businesses may be more vulnerable to changes in economic conditions. We believe that the most common reason for policyholder non-renewals is business failure. As a result, the portion of our business derived from AmTrust's workers' compensation gross premiums written is primarily dependent upon economic conditions where AmTrust's policyholders operate.

Negative developments in the workers' compensation insurance industry would adversely affect our financial condition and results of operations.

Although we plan to engage in other businesses, substantially all of our business currently is attributable to our reinsurance of AmTrust's business a majority of which is workers' compensation business. As a result, negative developments in the economic, competitive or regulatory conditions affecting the workers' compensation insurance industry could have an adverse effect on AmTrust's and our financial condition and results of operations. For example, if legislators in one of AmTrust's larger markets were to enact legislation to increase the scope or amount of benefits for employees under workers' compensation insurance policies without related premium increases or loss control measures, or if regulators made other changes to the regulatory system governing workers' compensation insurance, this could negatively affect the workers' compensation insurance industry in the affected markets. Negative developments in the workers' compensation insurance industry could have a greater effect on us than on more diversified reinsurance companies whose business is more diversified across product lines.

In Florida, AmTrust's largest state in terms of workers' compensation premium volume, and in certain other states, insurance regulators set the premium rates that AmTrust may charge. The Florida insurance regulators may set rates below those that AmTrust requires to maintain profitability. For example, in October 2005, the Florida Office of Insurance Regulation approved an overall average 13.5% decrease in premium rates for all workers' compensation insurance policies written by Florida licensed insurers in 2006. On August 24, 2007, the National Council on Compensation Insurance (the "NCCI") proposed an overall workers' compensation rate level decrease of 16.5% effective January 1, 2008. The NCCI is the licensed workers' compensation rating organization in the State of Florida. AmTrust is a member company of NCCI in Florida as required by the Florida Office of Insurance Regulation as a condition of operating in the state. We are unsure how these changes will affect our reinsurance of AmTrust's workers' compensation business or our results of operations.

In March of 2007, New York enacted new legislation to implement fundamental changes to New York's workers' compensation law. These changes, among other things, reflect an increase in benefits and a limit on the number of years that permanent partial disability claimants can receive benefits. The changes took effect immediately with certain sections to be phased-in through February 2008. In July 2007, the New York Insurance Department approved an overall average 20.5% decrease in workers' compensation premium rates effective October 1, 2007. At present, we are unsure how these changes will affect our reinsurance of AmTrust's workers' compensation business or our results of operations. In 2006, 11.7% of AmTrust's workers' compensation business was written in New York.

Unfavorable changes in economic conditions affecting the states and European countries in which AmTrust operates could adversely affect AmTrust's financial condition or results of operations.

As of June 30, 2007, AmTrust provided small business workers' compensation insurance in 38 states and the District of Columbia and specialty risk and extended warranty coverage insurance in all 50 states and the District of Columbia. Although AmTrust has expanded its operations into new geographic areas and expects to continue to do so in the future, Florida, Georgia, New Jersey, New York and Pennsylvania accounted for approximately 68.3% of the direct gross premiums written in AmTrust's small business workers' compensation business in the year ended December 31, 2006, with Florida accounting for approximately 22.4%. With the completion of AmTrust's recently announced acquisition of Associated Industries Insurance Services, Inc. and its wholly owned subsidiary Associated Industries Insurance Company, Inc., the concentration of AmTrust's workers' compensation gross premiums written in Florida may increase, at least initially. In Europe, approximately 49.5% of AmTrust's gross premiums written for the year ended December 31, 2006 were derived from policyholders in the United Kingdom. Consequently, AmTrust may be more exposed to economic and regulatory risks or risks from natural perils in these jurisdictions than insurance companies that have a larger percentage of their gross premiums written diversified over a broader geographic area. Unfavorable changes in economic conditions affecting the states or countries in which AmTrust writes business could adversely affect our financial condition or results of operations.

AmTrust's specialty risk and extended warranty business is dependent upon the sale of products covered by warranties and service contracts which neither we nor AmTrust can control.

AmTrust's specialty risk and extended warranty segment primarily covers manufacturers, service providers and retailers for the cost of performing their obligations under extended warranties and service contracts provided in connection with the sale or lease of various types of personal computers, consumer electronics, automobiles, light and heavy construction equipment and other consumer and commercial products. Thus, any decrease in the sale or leasing of these products, whether due to economic factors or otherwise, is likely to have an adverse impact upon our reinsurance of AmTrust's specialty risk and extended warranty business. Neither we nor AmTrust can influence materially the success of AmTrust's specialty risk clients' primary product sales and leasing efforts.

State insurance regulators may require the restructuring of the warranty or service contract business of certain policyholders that purchase AmTrust's specialty risk products and this may adversely affect our reinsurance of AmTrust's specialty risk business.

Some of the largest purchasers of AmTrust's specialty risk insurance products in the United States are manufacturers, service providers and retailers that issue extended warranties or service contracts for consumer and commercial-grade goods, including coverage against accidental damage to the goods covered by the warranty or service contract. AmTrust insures these policyholders against the cost of repairing or replacing such goods in the event of such accidental damage. State insurance regulators may take the position that certain of the extended warranties or service contracts issued by AmTrust's policyholders constitute insurance contracts that may only be issued by licensed insurance companies. In that event, the extended warranty or service contract business of AmTrust's policyholders may have to be restructured which could adversely affect our reinsurance of AmTrust's specialty risk and extended warranty business.

A substantial portion of our assets will be placed in trusts for the benefit of AmTrust's insurance companies.

Generally, under U.S. state insurance laws, a ceding company is not permitted to take credit for reinsurance in its statutory financial statements (meaning that it is not permitted to reduce its liabilities in such financial statements by the amount of losses ceded to a reinsurer) unless the reinsurer is accredited, licensed or otherwise approved by the insurance regulator in the ceding company's state of domicile or provides collateral to secure its obligations to the ceding company under the reinsurance agreement. Acceptable collateral for these purposes can take a number of forms, including a "funds withheld" account (in which the ceding company retains control of the funds representing premiums transferred to the reinsurer and deducts ceded losses from such funds), letters of credit or a trust account established for the benefit of the ceding company (often called a "Regulation 114 trust"). We expect that Maiden Insurance will not be an accredited, licensed or otherwise approved reinsurer in any U.S. state and that it will establish Regulation 114 trusts for the benefit of its ceding companies domiciled in the United States. A Regulation 114 trust must be funded in an amount equal to at least 102% of the reinsurer's obligations to the ceding company. As a result of our planned use of Regulation 114 trusts, a substantial portion of our assets will not be available to us for other uses, which will reduce our financial flexibility. See "Regulation — United States Regulation — Credit for Reinsurance."

Further, Maiden Insurance has agreed to collateralize its obligations under its reinsurance agreement with AII by one or more of the following methods at the election of Maiden Insurance:

- by lending assets to AII pursuant to a loan agreement between Maiden Insurance and AII with such assets being deposited by AII into the trust accounts established or to be established by AII for the sole benefit of AmTrust's U.S. insurance subsidiaries pursuant to the reinsurance agreements between AII and those AmTrust subsidiaries;
- by transferring to AII assets for deposit into those trust accounts;
- by delivering letters of credit to the applicable U.S. AmTrust insurance subsidiaries on behalf of AII; or
- by requesting that AII cause such AmTrust insurance subsidiary to withhold premiums in lieu of remitting such premiums to AII.

As a result of our planned use of Regulation 114 trusts accounts, a substantial portion of our assets, including a disproportionate share of our higher-quality fixed-income investments, will not be available to us for other uses, which will reduce our financial flexibility. See "Regulation — United States Regulation —Credit for Reinsurance."

If collateral is required to be provided to any other AmTrust Ceding Insurers under applicable law or regulatory requirements, Maiden Insurance will provide collateral to the extent required, although Maiden Insurance does not expect that such collateral will be required unless an AmTrust Ceding Insurer is domiciled in the United States. Maiden Insurance currently expects to satisfy its collateral requirements under the Reinsurance Agreement by lending assets to AII pursuant to a loan agreement. See "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries — Quota Share Reinsurance Agreement and Master Agreement — Loans and Other Collateral."

Maiden Insurance is not a party to the reinsurance agreements between AII and AmTrust's U.S. insurance subsidiaries or the related reinsurance trust agreements and has no rights thereunder. If one or more of these AmTrust subsidiaries withdraws Maiden Insurance's assets from their trust account, draws down on its letter of credit or misapplies withheld funds that are due to Maiden and that subsidiary is or becomes insolvent, we believe it may be more difficult for Maiden Insurance to recover any such amounts to which we are entitled than it would be if Maiden Insurance had entered into reinsurance and trust agreements with these AmTrust subsidiaries directly. AII has agreed to immediately return to Maiden Insurance any collateral provided by Maiden Insurance that one of those subsidiaries improperly utilizes or retains, and AmTrust has agreed to guarantee AII's repayment obligation and AII's payment obligations under its loan agreement with Maiden Insurance. We are subject to the risk that AII and/or AmTrust may be unable or unwilling to discharge these obligations. In addition, if AII experiences a change in control and Maiden Insurance chooses not to terminate the reinsurance agreement, AmTrust's guarantee obligations will terminate immediately and automatically. See "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries — Quota Share Reinsurance Agreement and Master Agreement — Loans and Other Collateral."

The outcome of recent insurance industry investigations and legislative and regulatory proposals in the United States could adversely affect our financial condition and results of operations.

The United States insurance industry has recently become the focus of increased scrutiny by regulatory and law enforcement authorities, as well as class action attorneys and the general public, relating to allegations of improper special payments, price-fixing, bid-rigging, improper accounting practices and other alleged misconduct, including payments made by insurers to brokers and the practices surrounding the placement of insurance business. Formal and informal inquiries have been made of a large segment of the industry, and a number of companies in the insurance industry have received or may receive subpoenas, requests for information from regulatory agencies or other inquiries relating to these and similar matters. These efforts have resulted and are expected to result in both enforcement actions and proposals for new state and federal regulation. Some states have adopted new disclosure requirements in connection with the placement of insurance business. It is difficult to predict the outcome of these investigations, whether they will expand into other areas not yet contemplated, whether activities and practices currently thought to be lawful will be characterized as unlawful, what form any additional laws or regulations will have when finally adopted and the impact, if any, of increased regulatory and law enforcement action and litigation on our business and financial condition.

Recently, as a result of complaints related to claims handling practices by insurers in the wake of the 2005 hurricanes that struck the gulf coast states, Congress has examined a possible repeal of the McCarran-Ferguson Act, which exempts the insurance industry from federal anti-trust laws. We cannot assure you that the McCarran-Ferguson Act will not be repealed, or that any such repeal, if enacted, would not have a material adverse effect on our business and results of operations.

We will compete with a large number of companies in the reinsurance industry for underwriting revenues.

We will compete with a large number of other companies in our selected lines of business. There are many reinsurers throughout the world, and new reinsurance companies, based in Bermuda or elsewhere, may be formed at any time. We will compete with major U.S. and non-U.S. reinsurers that offer the lines of reinsurance that we will offer, target the same market as we do and utilize similar business strategies. In addition, newly formed and existing insurance industry companies have recently raised capital to meet perceived demand in the current environment and address underwriting capacity issues. Other newly formed and existing insurance companies may also be preparing to enter the same market segments in which we expect to compete or raise new capital. Since we have no operating history, many of our competitors will have greater name and brand recognition than we will have. Many of them also have more (in some cases substantially more) capital and greater marketing and management resources than we expect to have, and may offer a broader range of products and more competitive pricing than we expect to, or will be able to, offer.

Our competitive position will be based on many factors, including our perceived financial strength, ratings assigned by independent rating agencies, geographic scope of business, client relationships, premiums charged, contract terms and conditions, products and services offered (including the ability to design customized programs), knowledge of the types of business to be reinsured, speed of claims payment, reputation, experience and qualifications of employees and local presence. Since we have just recently commenced operations, we may not be able to compete successfully on many of these bases. If competition limits our ability to write new business at adequate rates, our return on capital may be adversely affected.

A number of new, proposed or potential legislative or industry developments could further increase competition in our industry. These developments include:

- an increase in capital-raising by companies in our lines of business, which could result in additional new entrants to our markets and an excess of capital in the industry;
- programs in which state-sponsored entities provide property insurance in catastrophe-prone areas or other "alternative markets" types of coverage; and
- changing practices caused by the Internet, which may lead to greater competition in the insurance business.

New competition from these developments could cause the supply and/or demand for insurance or reinsurance to change, which could affect our ability to price our products at attractive rates and adversely affect our underwriting results.

Consolidation in the insurance and reinsurance industry could lead to lower margins for us and less demand for our products and services.

The insurance and reinsurance industry is undergoing a process of consolidation as industry participants seek to enhance their product and geographic reach, client base, operating efficiency and general market power through merger and acquisition activities. We believe that the larger entities resulting from these mergers and acquisition activities may seek to use the benefits of consolidation, including improved efficiencies and economies of scale, to, among other things, implement price reductions for their products and services to increase their market shares. Consolidation among primary insurance companies may also lead to reduced use of reinsurance as the resulting larger companies may be able to retain more risk and may also have bargaining power in negotiations with reinsurers. If competitive pressures compel us to reduce our prices, our operating margins will decrease.

As the insurance and reinsurance industry consolidates, competition may become more intense and the importance of acquiring and properly servicing each customer will become greater. We could incur greater expenses relating to customer acquisition and retention, which could reduce our operating margins.

We may misevaluate the risks we seek to reinsure.

Our success will rely upon the ability of our underwriters and actuaries to accurately assess the risks associated with the programs and treaties that we reinsure. Like other reinsurers, we will not separately evaluate each of the individual risks assumed under reinsurance treaties. Thus, we will be largely dependent on the original underwriting decisions made by ceding companies. We will be subject to the risk that our ceding companies may not have adequately evaluated the individual risks to be reinsured and that the premiums ceded to us may not adequately compensate us for the risks we assume.

Reinsurance of AmTrust's insurance companies could expose us to substantial liability.

Our results will be highly dependent on the results of operations of AmTrust's insurance company subsidiaries. We have entered into a multi-year reinsurance agreement with AII, through which we reinsure 40% of the losses of AmTrust's insurance company subsidiaries, net of reinsurance with unaffiliated reinsurers. If market conditions change during the term of this agreement, we will be adversely affected should AmTrust's underwriting results deteriorate during that period.

We will not be able to control AmTrust's decisions relating to its other reinsurance, and AmTrust may change its reinsurance in ways that adversely affect us.

The reinsurance ceded by AmTrust is net of any reinsurance that AmTrust obtains from unaffiliated reinsurers. For example, Maiden Insurance will receive 40% of AmTrust's premiums (net of commissions in the case of AmTrust's UK subsidiary) net of premiums ceded to unaffiliated reinsurers, and will be liable for 40% of losses and loss adjustment expenses on the ceded business net of any reinsurance recoverable (whether collectible or not) from unaffiliated reinsurers. We are not able to control the types or amounts of reinsurance that AmTrust purchases from unaffiliated reinsurers. AmTrust may change its unaffiliated reinsurance in ways that may adversely affect us. For example, if AmTrust purchases less excess of loss reinsurance, the amount of risk ceded to us under the quota share reinsurance agreement will increase, although the reinsurance agreement excludes coverage of any policy written by AmTrust in which AmTrust's net retention exceeds $5 million. Conversely, if AmTrust chose to purchase additional reinsurance from unaffiliated reinsurers, AmTrust would reduce our revenues.

Our reinsurance agreement with AII provides coverage for extra-contractual obligations and losses in excess of policy limits that AII or the AmTrust insurance subsidiaries may incur. AmTrust's existing excess of loss reinsurance for its workers' compensation business includes coverage for these liabilities within the coverage layers of 100% of $9 million in excess of the first $1 million of losses and 90% of $110 million in excess of $20 million. However, AmTrust does not have excess of loss reinsurance coverage for extra-contractual obligations and losses in excess of policy limits between $10 million and $20 million, and we would bear 40% of any loss incurred by AmTrust between these amounts as well as 40% of 10% of any loss in excess of $20 million.

We may face substantial exposure to losses from terrorism. AmTrust's U.S. insurance companies will be required by law to offer coverage against such losses and the protection afforded by federal legislation has been reduced.

U.S. insurers are required by state and Federal law to offer coverage for terrorism in certain commercial lines. In response to the September 11, 2001 terrorist attacks, the United States Congress enacted legislation designed to ensure, among other things, the availability of insurance coverage for foreign terrorist acts, including the requirement that insurers offer such coverage in certain commercial lines. The Terrorism Risk Insurance Act of 2002 ("TRIA") requires commercial property and casualty insurance companies to offer coverage for certain acts of terrorism and established a Federal assistance program through the end of 2005 to help such insurers cover claims related to future terrorism-related losses. The Terrorism Risk Insurance Extension Act of 2005 ("TRIEA") extends the Federal assistance program through 2007, but it also has set a per-event threshold that must be met before the federal program becomes applicable and also increases the insurers' statutory deductibles.

Pursuant to TRIA, AmTrust's insurance companies must offer insureds coverage for acts of terrorism that are certified as such by the U.S. Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, for an additional premium or decline such coverage. Under TRIA, the Federal government agreed to reimburse commercial insurers for up to 85% of the losses due to certified acts of terrorism in excess of a deductible which, for 2007, was set at 20% of the insurer's direct earned commercial lines premiums for the immediately preceding calendar year, *i.e.*, 2006.

Under TRIEA, the Federal government now agrees to reimburse commercial insurers only after a per-event threshold, referred to as the program trigger, has been reached. In the case of certified acts of terrorism taking place after March 31, 2006, the program trigger has been set at $100 million for industry-wide insured losses occurring in 2007.

The Federal terrorism risk assistance provided by TRIA and TRIEA will expire at the end of 2007 and although legislation has recently been introduced in Congress to expand and extend such assistance, it is not currently clear whether or in what form that assistance will be renewed. Any renewal may be on substantially less favorable terms.

Pursuant to the reinsurance agreement between Maiden Insurance and AII and the reinsurance agreements that we anticipate that Maiden Insurance will enter into with others, Maiden Insurance will reinsure a portion of each ceding insurer's losses resulting from terrorism. Although we expect that Maiden Insurance will seek to retrocede some or all of this terrorism risk to unaffiliated reinsurers, it may be unable to do so on terms that it considers favorable, or at all.

We may or may not use retrocessional coverage to limit our exposure to risks. Any retrocessional coverage that we obtain may be limited, and credit and other risks associated with our retrocessional reinsurance arrangements may result in losses which could adversely affect our financial condition and results of operations.

We will provide reinsurance to our clients and in turn we may or may not retrocede reinsurance we assume to other insurers and reinsurers. If we do not use retrocessional reinsurance, our exposure to losses will be greater than if we did obtain such coverage. If we do obtain retrocessional coverage, some of the insurers or reinsurers to whom we may retrocede coverage may be domiciled in Bermuda or other non-U.S. locations. We would be subject to credit and other risks that depend upon the financial strength of these reinsurers. Further, we will be subject to credit risk with respect to any retrocessional arrangements because the ceding of risk to reinsurers and retrocessionaires would not relieve us of our liability to the clients or companies we insure or reinsure. Our failure to establish adequate reinsurance or retrocessional arrangements or the failure of any retrocessional arrangements to protect us from overly concentrated risk exposure could adversely affect our business, financial condition and results of operation. We will attempt to mitigate such risks by retaining collateral or trust accounts for premium and claims receivables, but nevertheless we cannot be assured that reinsurance will be fully collectable in the case of all potential claims outcomes.

The effects of emerging claim and coverage issues on our business are uncertain.

As industry practices and legal, judicial, social and other environmental conditions change, unexpected issues related to claims and coverage may emerge. These issues may adversely affect our business by either extending coverage beyond our underwriting intent or by increasing the number or size of claims. In some instances, these changes may not become apparent until some time after we have issued insurance or reinsurance contracts that are affected by the changes. As a result, the full extent of liability under our reinsurance contracts may not be known for many years after a contract is issued. A recent example of emerging claims and coverage issues is the growing trend of plaintiffs targeting property and casualty insurers in purported class action litigation relating to claims-handling, insurance sales practices and other practices related to the conduct of business in our industry. The effects of this and other unforeseen emerging claim and coverage issues are extremely hard to predict and could have a material adverse effect on our business, financial condition and results of operations.

Our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments.

Maiden Holdings is a holding company. As a result, we do not have, and will not have, any significant operations or assets other than our ownership of the shares of our subsidiary.

We expect that dividends and other permitted distributions from Maiden Insurance will be our sole source of funds to pay dividends to shareholders and meet ongoing cash requirements, including debt service payments, if any, and other expenses. Bermuda law and regulations, including, but not limited to, Bermuda insurance regulations, will restrict the declaration and payment of dividends and the making of distributions by Maiden Insurance, unless specific regulatory requirements are met. In addition, Maiden Insurance might enter into contractual arrangements in the future that could impose restrictions on any such payments. If we cannot receive dividends or other permitted distributions from Maiden Insurance as a result of such restrictions, we will be unable to pay dividends as currently contemplated by our board of directors. The inability of Maiden Insurance to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have a material adverse effect on our business, financial condition and results of operations.

We are subject to Bermuda regulatory constraints that will affect our ability to pay dividends on our shares and make other payments. Under the Companies Act, we may declare or pay a dividend out of distributable reserves only if we have reasonable grounds for believing that we are, or would after the payment be, able to pay our liabilities as they become due and if the realizable value of our assets would thereby not be less than the aggregate of our liabilities and issued share capital and share premium accounts. For a discussion of the legal and regulatory limitations on the ability of Maiden Insurance to pay dividends to Maiden Holdings and of Maiden Holdings to pay dividends to its shareholders, see “Regulation — Regulation of Maiden Insurance — Minimum Solvency Margin and Restrictions on Dividends and Distributions.”

Insurance statutes and regulations in various jurisdictions could affect our profitability and restrict our ability to operate.

Maiden Insurance is licensed as a Bermuda insurance company and is subject to regulation and supervision in Bermuda. The applicable Bermuda statutes and regulations generally are designed to protect insureds and ceding insurance companies, not our shareholders. We intend that Maiden Insurance will not be registered or licensed as an insurance company in any jurisdiction outside Bermuda, will conduct business through offices in Bermuda and will not maintain an office or conduct any insurance or reinsurance activities in the United States or elsewhere outside of Bermuda. Nevertheless, we expect that a large portion of the gross premiums written by Maiden Insurance will be derived from its reinsurance agreement with AII, pursuant to which Maiden Insurance reinsures a quota share of AII’s obligations to AmTrust’s insurance subsidiaries, and from reinsurance contracts entered into with entities domiciled in the United States. Inquiries into or challenges to the insurance activities of Maiden Insurance may still be raised in the future.

In addition, even if Maiden Insurance, as a reinsurer, is not directly regulated by applicable laws and regulations governing insurance in the jurisdictions where its ceding companies operate, these laws and regulations, and changes in them, can affect the profitability of the business that is ceded to Maiden Insurance, and thereby affect our results of operations. The laws and regulations applicable to direct insurers could indirectly affect us in other ways as well, such as collateral requirements in various U.S. states to enable such insurers to receive credit for reinsurance ceded to us.

In the past, there have been congressional and other proposals in the United States regarding increased supervision and regulation of the insurance industry, including proposals to supervise and regulate reinsurers domiciled outside the United States. Our exposure to potential regulatory initiatives could be heightened by the fact that Maiden Insurance is intended to be domiciled in, and operate exclusively from, Bermuda. Bermuda is a small jurisdiction and may be disadvantaged when participating in global or cross-border regulatory matters as compared with larger jurisdictions such as the U.S. or the leading European Union countries. This disadvantage could be amplified by the fact that Bermuda, which is currently an overseas territory of the United Kingdom, may consider changes to its relationship with the United Kingdom in the future, including potentially seeking independence.

If Maiden Insurance were to become subject to any insurance laws and regulations of the United States or any U.S. state, which are generally more restrictive than Bermuda laws and regulations, at any time in the future, it might be required to post deposits or maintain minimum surplus levels and might be prohibited from engaging in lines of business or from writing specified types of policies or contracts. Complying with those laws could have a material adverse effect on our ability to conduct business and on our financial condition and results of operations.

A number of new, proposed or potential legislative developments could further increase competition in our industry. These developments include programs in which state-sponsored entities provide property insurance or reinsurance in catastrophe-prone areas. These legislative developments could eliminate or reduce opportunities for us and other reinsurers to write those coverages, and increase competition with our competitors for contracts not covered by such state-sponsored programs. New competition from these developments could result in fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention and less favorable policy terms and conditions.

The outcome of recent insurance industry investigations and regulatory proposals could adversely affect our financial condition and results of operations and cause the price of our shares to be volatile.

The insurance industry has recently become the focus of increased scrutiny by regulatory and law enforcement authorities, as well as class action attorneys and the general public, relating to allegations of improper special payments, price-fixing, bid-rigging, improper accounting practices and other alleged misconduct, including payments made by insurers to brokers and the practices surrounding the placement of insurance business. Formal and informal inquiries have been made of a large segment of the industry, and a number of companies in the insurance industry have received or may receive subpoenas, requests for information from regulatory agencies or other inquiries relating to these and similar matters. These efforts are expected to result in both enforcement actions and proposals for new state and federal regulation. It is difficult to predict the outcome of these investigations, whether they will expand into other areas not yet contemplated, whether activities and practices currently thought to be lawful will be characterized as unlawful, what form new regulations will have when finally adopted and the impact, if any, of increased regulatory and law enforcement action and litigation on our business and financial condition.

A significant amount of our invested assets will be subject to changes in interest rates and market volatility. If we were unable to realize our investment objectives, our financial condition and results of operations may be adversely affected.

Investment income will be an important component of our net income. We are in the process of investing substantially all of the proceeds we received from the private offering, and we intend to invest the premiums we receive from our reinsurance activities in highly rated and liquid fixed income securities, high-yield debt securities, equity securities, short-term U.S. Treasury bills, cash and money market equivalents. The fair market value of these assets and the investment income from these assets will fluctuate depending on general economic and market conditions. Because we intend to classify substantially all of our invested assets as available for sale, we expect changes in the market value of our securities will be reflected in shareholders' equity. Our board of directors has established our investment policies and our management is in the process of implementing our investment strategy with the assistance of AmTrust, our investment manager. Although these guidelines stress diversification and capital preservation, our investment results will be subject to a variety of risks, including risks related to changes in the business, financial condition or results of operations of the entities in which we invest, as well as changes in general economic conditions and overall market conditions, interest rate fluctuations and market volatility. General economic conditions and overall market conditions may be adversely affected by U.S. involvement in hostilities with other countries and large-scale acts of terrorism, or the threat of hostilities or terrorist acts.

We expect that our investment portfolio will include a significant amount of interest rate-sensitive instruments, such as bonds, which may be adversely affected by changes in interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions and other factors beyond our control. Because of the unpredictable nature of losses that may arise under reinsurance policies, our liquidity needs could be substantial and may increase at any time. Changes in interest rates could have an adverse effect on the value of our investment portfolio and future investment income. For example, changes in interest rates can expose us to prepayment risks on mortgage-backed securities included in our investment portfolio. Increases in interest rates will decrease the value of our investments in fixed-income securities. If increases in interest rates occur during periods when we sell investments to satisfy liquidity needs, we may experience investment losses. If interest rates decline, reinvested funds will earn less than expected.

We also intend to invest a portion of our portfolio in below investment-grade securities. The risk of default by borrowers that issue below investment-grade securities is significantly greater than that of other borrowers because these borrowers are often highly leveraged and more sensitive to adverse economic conditions, including a recession. In addition, these securities are generally unsecured and often subordinated to other debt. The risk that we may not be able to recover our investment in below investment-grade securities is higher than with investment-grade securities. We also intend to invest a portion of our portfolio in equity securities, including hedge funds, which are more speculative and more volatile than debt securities.

If we do not structure our investment portfolio so that it is appropriately matched with our reinsurance liabilities, we may be forced to liquidate investments prior to maturity at a significant loss to cover such liabilities. For this or any of the other reasons discussed above, investment losses could significantly decrease our asset base, which would adversely affect our ability to conduct business.

Any significant decline in our investment income would adversely affect our business, financial condition and results of operations.

Risks Related to Our Shares

An active trading market for our shares may never develop.

Currently, there is no established trading market for our shares. Although the shares that were sold to qualified institutional buyers in the private offering are currently eligible for trading among qualified institutional buyers in the PORTAL Market of the National Association of Securities Dealers, Inc., shares sold pursuant to this prospectus will not continue to trade on the PORTAL Market. Application will be made to have our common shares approved for listing on the NASDAQ Global Market or the New York Stock Exchange. However, we cannot assure you as to:

- the likelihood that an active market for the shares will develop;
- the liquidity of any such market;
- the ability of our shareholders to sell their shares; or
- the price that our shareholders may obtain for their shares.

If an active trading market does not develop or is not maintained, holders of the shares may experience difficulty in reselling, or an inability to sell, the shares. Future trading prices for the shares may be adversely affected by many factors, including changes in our financial performance, changes in the overall market for similar shares and performance or prospects for companies in our industry.

We currently intend to pay a quarterly cash dividend of $0.025 per common share; however, any determination to pay dividends will be at the discretion of our board of directors.

For the quarter ending September 30, 2007, our board of directors has authorized the payment of a cash dividend of $0.025 per common share to our shareholders of record on October 1, 2007 with a payment date of October 15, 2007. Our board of directors currently intends to authorize the payment of a quarterly cash dividend of $0.025 per common share to our shareholders of record each quarter thereafter. Any determination to pay dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant, including Bermuda legal and regulatory constraints.

Our revenues and results of operations may fluctuate as a result of factors beyond our control, which may cause the price of our shares to be volatile.

The revenues and results of operations of reinsurance companies historically have been subject to significant fluctuations and uncertainties. Our profitability can be affected significantly by:

- fluctuations in interest rates, inflationary pressures and other changes in the investment environment that affect returns on invested assets;
- changes in the frequency or severity of claims;
- volatile and unpredictable developments, including man-made, weather-related and other natural catastrophes or terrorist attacks;
- price competition;
- inadequate reserves;
- cyclical nature of the property and casualty insurance market;
- negative developments in the specialty property and casualty reinsurance sectors in which we operate; and
- reduction in the business activities of AmTrust or any of our ceding insurers.

If our revenues and results of operations fluctuate as a result of one or more of these factors, the price of our shares may be volatile.

Future sales of shares may adversely affect their price.

Future sales of our common shares by our shareholders or us, or the perception that such sales may occur, could adversely affect the market price of our common shares. Currently, 59,550,000 common shares are outstanding. In addition, we have reserved 2,800,000 shares for issuance under our 2007 Share Incentive Plan. Under this plan, we have granted options exercisable for, in the aggregate, 461,000 of our common shares. In addition, we issued ten−year warrants to our Founding Shareholders to purchase an additional 4,050,000 of our common shares at an exercise price of $10.00 per share. See “Shares Eligible For Future Sale.” Up to 59,550,000 of our common shares, which are all of the shares currently outstanding, are being registered pursuant to the registration statement of which this prospectus is a part. Sales of substantial amounts of our shares, or the perception that such sales could occur, could adversely affect the prevailing price of the shares and may make it more difficult for us to sell our equity securities in the future, or for shareholders to sell their shares, at a time and price that they deem appropriate.

Our internal audit and reporting systems might not be effective in the future, which could increase the risk that we would become subject to restatements of our financial results or to regulatory action or litigation or other developments that could adversely affect our business.

Our ability to produce accurate financial statements and comply with applicable laws, rules and regulations is largely dependent on our establishment and maintenance of internal audit and reporting systems, as well as on our ability to attract and retain qualified management and accounting and actuarial personnel to further develop our internal accounting function and control policies. If we fail to effectively establish and maintain such reporting and accounting systems or fail to attract and retain personnel who are capable of designing and operating such systems, these failures will increase the likelihood that we may be required to restate our financial results to correct errors or that we will become subject to legal and regulatory infractions, which may entail civil litigation and investigations by regulatory agencies including the SEC.

We will become subject to additional financial and other reporting and corporate governance requirements that may be difficult for us to satisfy.

We were formed in June 2007 and have a very limited operating history. Following the effectiveness of the registration statement of which this prospectus is a part, we will become subject to new financial and other reporting and corporate governance requirements, including the requirements of the NASDAQ Global Market or the New York Stock Exchange and certain provisions of the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder, which will impose significant compliance obligations upon us. In particular, we are, or will be, required to:

- Enhance the roles and duties of our board of directors, our board committees and management;

- Supplement our internal accounting function, including hiring staff with expertise in accounting and financial reporting for a public company, as well as implement appropriate and sufficient accounting and reporting systems, and enhance and formalize closing procedures at the end of our accounting periods;

- Prepare and distribute periodic public reports in compliance with our obligations under the U.S. federal securities laws;

- Involve and retain to a greater degree outside counsel and accountants in the activities listed above;

- Establish or outsource an internal audit function;

- Enhance our investor relations function; and

- Establish new control policies, such as those relating to disclosure controls and procedures, segregation of duties and procedures and insider trading.

These obligations require a significant commitment of additional resources. We may not be successful in implementing these requirements, and implementing them could adversely affect our business or operating results. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our operating results on a timely and accurate basis would be impaired.

Provisions in our bye-laws may reduce or increase the voting rights of our shares.

In general, and except as provided under our bye-laws and as provided below, the common shareholders have one vote for each common share held by them and are entitled to vote, on a non-cumulative basis, at all meetings of shareholders. However, if, and so long as, the shares of a shareholder are treated as "controlled shares" (as determined pursuant to sections 957 and 958 of the Internal Revenue Code of 1986, as amended (the "Code")) of any U.S. Person (as that term is defined in "Material Tax Considerations") (that owns shares directly or indirectly through non-U.S. entities) and such controlled shares constitute 9.5% or more of the votes conferred by our issued shares, the voting rights with respect to the controlled shares owned by such U.S. Person will be limited, in the aggregate, to a voting power of less than 9.5%, under a formula specified in our bye-laws. The formula is applied repeatedly until the voting power of all 9.5% U.S. Shareholders has been reduced to less than 9.5%. In addition, our board may limit a shareholder's voting rights when it deems it appropriate to do so to (i) avoid the existence of any 9.5% U.S. Shareholder; and (ii) avoid certain material adverse tax, legal or regulatory consequences to us, any of our subsidiaries or any direct or indirect shareholder or its affiliates. "Controlled shares" include, among other things, all shares that a U.S. Person is deemed to own directly, indirectly or constructively (within the meaning of section 958 of the Code). The amount of any reduction of votes that occurs by operation of the above limitations will generally be reallocated proportionately among our other shareholders whose shares were not "controlled shares" of the 9.5% U.S. Shareholder so long as such reallocation does not cause any person to become a 9.5% U.S. Shareholder.

Under these provisions, certain shareholders may have their voting rights limited, while other shareholders may have voting rights in excess of one vote per share. Moreover, these provisions could have the effect of reducing the votes of certain shareholders who would not otherwise be subject to the 9.5% limitation by virtue of their direct share ownership.

We are authorized under our bye-laws to request information from any shareholder for the purpose of determining whether a shareholder's voting rights are to be reallocated under the bye-laws. If any holder fails to respond to this request or submits incomplete or inaccurate information, we may, in our sole discretion, eliminate the shareholder's voting rights.

Anti-takeover provisions in our bye-laws and termination provisions in our reinsurance agreement with a subsidiary of AmTrust could impede an attempt to replace or remove our directors, which could diminish the value of our common shares.

Our bye-laws contain provisions that may entrench directors and make it more difficult for shareholders to replace directors even if the shareholders consider it beneficial to do so. In addition, these provisions could delay or prevent a change of control that a shareholder might consider favorable. For example, these provisions may prevent a shareholder from receiving the benefit from any premium over the market price of our common shares offered by a bidder in a potential takeover. Even in the absence of an attempt to effect a change in management or a takeover attempt, these provisions may adversely affect the prevailing market price of our common shares if they are viewed as discouraging changes in management and takeover attempts in the future.

Examples of provisions in our bye-laws that could have such an effect include the following:

- our board of directors may reduce the total voting power of any shareholder in order to avoid adverse tax, legal or regulatory consequences to us or any direct or indirect holder of our shares or its affiliates; and

- our directors may, in their discretion, decline to record the transfer of any common shares on our share register, if they are not satisfied that all required regulatory approvals for such transfer have been obtained or if they determine such transfer may result in a non-deminimis adverse tax, legal or regulatory consequence to us or any direct or indirect holder of shares or its affiliates.

It may be difficult for a third party to acquire us.

Provisions of our organizational documents may discourage, delay or prevent a merger, amalgamation, tender offer or other change of control that holders of our shares may consider favorable. These provisions impose various procedural and other requirements that could make it more difficult for shareholders to effect various corporate actions. These provisions could:

- have the effect of delaying, deferring or preventing a change in control of us;

- discourage bids for our securities at a premium over the market price;

- adversely affect the price of, and the voting and other rights of the holders of our securities; or

- impede the ability of the holders of our securities to change our management.

See “Description of Share Capital” for a summary of these provisions.

In addition, AII is entitled to terminate the Reinsurance Agreement if we undergo a change in control. Because we expect the business we reinsure from AmTrust to constitute substantially all of our business initially and most of our business for at least our first few years of operations, this termination right may deter parties who are interested in acquiring us, may prevent shareholders from receiving a premium over the market price of our common shares and may depress the price of our common shares below levels that might otherwise prevail.

U.S. persons who own our shares may have more difficulty in protecting their interests than U.S. persons who are shareholders of a U.S. corporation.

The Companies Act, which applies to us, differs in certain material respects from laws generally applicable to U.S. corporations and their shareholders. As a result of these differences, U.S. persons who own our shares may have more difficulty protecting their interests than U.S. persons who own shares of a U.S. corporation. To further understand the risks associated with U.S. persons who own our shares, see “Description of Share Capital — Differences in Corporate Law” for more information on the differences between Bermuda and Delaware corporate laws.

We are a Bermuda company and it may be difficult for you to enforce judgments against us or our directors and executive officers.

We are incorporated under the laws of Bermuda and our business is based in Bermuda. In addition, some of our directors and officers may reside outside the United States, and all or a substantial portion of our assets will be and the assets of these persons are, and will continue to be, located in jurisdictions outside the United States. As such, it may be difficult or impossible to effect service of process within the United States upon us or those persons or to recover against us or them on judgments of U.S. courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability, including the possibility of monetary damages, on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

We have been advised by Conyers Dill & Pearman, our Bermuda counsel, that there is doubt as to whether the courts of Bermuda would enforce judgments of U.S. courts obtained in actions against us or our directors and officers, as well as the experts named in this prospectus, predicated upon the civil liability provisions of the U.S. federal securities laws or original actions brought in Bermuda against us or these persons predicated solely upon U.S. federal securities laws. Further, we have been advised by Conyers Dill & Pearman that there is no treaty in effect between the United States and Bermuda providing for the enforcement of judgments of U.S. courts, and there are grounds upon which Bermuda courts may not enforce judgments of U.S. courts. Some remedies available under the laws of U.S. jurisdictions, including some remedies available under the U.S. federal securities laws, may not be allowed in Bermuda courts as contrary to that jurisdiction’s public policy. Because judgments of U.S. courts are not automatically enforceable in Bermuda, it may be difficult for you to recover against us based upon such judgments.

Risks Related to Taxation

We may become subject to taxes in Bermuda after 2016, which may have a material adverse effect on our financial condition and operating results and on an investment in our shares.

The Bermuda Minister of Finance, under the Exempted Undertakings Tax Protection Act 1966, as amended, of Bermuda, has given each of Maiden Holdings and Maiden Insurance an assurance that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to Maiden Holdings, Maiden Insurance or any of their respective operations or their respective shares, debentures or other obligations (except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by them in respect of real property or leasehold interests in Bermuda held by them) until March 28, 2016. See "Material Tax Considerations — Taxation of Maiden Holdings and Maiden Insurance — Bermuda." Given the limited duration of the Minister of Finance's expected assurance, we cannot be certain that we will not be subject to any Bermuda tax after March 28, 2016. Since Maiden Holdings and Maiden Insurance are incorporated in Bermuda, we will be subject to changes of law or regulation in Bermuda that may have an adverse impact on our operations, including imposition of tax liability. See "Material Tax Considerations — Taxation of Maiden Holdings and Maiden Insurance — Bermuda."

The impact of the Organization for Economic Cooperation and Development's directive to eliminate harmful tax practices is uncertain and could adversely affect our tax status in Bermuda.

The Organization for Economic Cooperation and Development (the "OECD") has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. In the OECD's report dated April 18, 2002 and updated as of June 2004 and September 2006, Bermuda was not listed as an uncooperative tax haven jurisdiction because it had previously committed to eliminate harmful tax practices and to embrace international tax standards for transparency, exchange of information and the elimination of any aspects of the regimes for financial and other services that attract business with no substantial domestic activity. We are not able to predict what changes will arise from the commitment or whether such changes will subject us to additional taxes.

We may be subject to U.S. federal income tax, which would have an adverse effect on our financial condition and results of operations and on an investment in our shares.

If either Maiden Holdings or Maiden Insurance were considered to be engaged in a trade or business in the United States, it could be subject to U.S. federal income and additional branch profits taxes on the portion of its earnings that are effectively connected to such U.S. business or in the case of Maiden Insurance, if it is entitled to benefits under the United States income tax treaty with Bermuda and if Maiden Insurance were considered engaged in a trade or business in the United States through a permanent establishment, Maiden Insurance could be subject to U.S. federal income tax on the portion of its earnings that are attributable to its permanent establishment in the United States, in which case its results of operations could be materially adversely affected. Maiden Holdings and Maiden Insurance are Bermuda companies. We intend to manage our business so that each of these companies should operate in such a manner that neither of these companies should be treated as engaged in a U.S. trade or business and, thus, should not be subject to U.S. federal taxation (other than the U.S. federal excise tax on insurance and reinsurance premium income attributable to insuring or reinsuring U.S. risks and U.S. federal withholding tax on certain U.S. source investment income). However, because (i) there is considerable uncertainty as to activities which constitute being engaged in a trade or business within the United States, (ii) a significant portion of Maiden Insurance's business is reinsurance of AmTrust's insurance subsidiaries and Maiden Insurance may not be able to expand its reinsurance business beyond its agreement with AmTrust, (iii) our Chairman of the Board is AmTrust's President and Chief Executive Officer, and certain of our executive officers are also executive officers of AmTrust, including (a) our interim Chief Financial Officer is AmTrust's Chief Financial Officer and is expected to continue to serve as an executive of AmTrust on a permanent basis and (b) our Chief Executive Officer is currently an executive officer of AmTrust and is expected to continue to serve as an executive officer of AmTrust on a transitional basis, (iv) we have an asset management agreement with a subsidiary of AmTrust and may also have additional contractual relationships with AmTrust and its subsidiaries in the future (see "Certain Relationships and Related Transactions"), and (v) the activities conducted outside the United States related to Maiden Insurance's start-up were limited, we cannot be certain that the IRS will not contend successfully that we are engaged in a trade or business in the U.S. See "Material Tax Considerations — Taxation of Maiden Holdings and Maiden Insurance — United States."

Holders of 10% or more of our shares may be subject to U.S. income taxation under the controlled foreign corporation rules.

If you are a "10% U.S. Shareholder" of a non-U.S. corporation (defined as a U.S. Person who owns (directly, indirectly through non-U.S. entities or constructively (as defined below)) at least 10% of the total combined voting power of all classes of stock entitled to vote) that is a controlled foreign corporation, which we refer to as a CFC, for an uninterrupted period of 30 days or more during a taxable year, and you own shares in the CFC directly or indirectly through non-U.S. entities on the last day of the CFC's taxable year, you must include in your gross income for U.S. federal income tax purposes your pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. "Subpart F income" of a non-U.S. insurance corporation typically includes foreign personal holding company income (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income). A non-U.S. corporation is considered a CFC if 10% U.S. Shareholders own (directly, indirectly through non-U.S. entities or by attribution by application of the constructive ownership rules of section 958(b) of the Code) (that is, "constructively") more than 50% of the total combined voting power of all classes of voting stock of that non-U.S. corporation or the total value of all stock of that corporation.

For purposes of taking into account insurance income, a CFC also includes a non-U.S. insurance company in which more than 25% of the total combined voting power of all classes of stock (or more than 25% of the total value of the stock) is owned (directly, indirectly through non-U.S. entities or constructively) by 10% U.S. Shareholders on any day during the taxable year of such corporation.

For purposes of this discussion, the term "U.S. Person" means: (i) an individual citizen or resident of the United States, (ii) a partnership or corporation created or organized in or under the laws of the United States, or under the laws of any State thereof (including the District of Columbia), (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, (iv) a trust if either (x) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. Persons have the authority to control all substantial decisions of such trust or (y) the trust has a valid election in effect to be treated as a U.S. Person for U.S. federal income tax purposes or (v) any other person or entity that is treated for U.S. federal income tax purposes as if it were one of the foregoing.

Because George Karfunkel, Michael Karfunkel and Barry Zyskind owned all of the shares of Maiden Holdings prior to July 3, 2007, Maiden Holdings was a CFC during the period of 2007 prior to July 3, 2007. Following the private offering, Barry Zyskind may be treated as a 10% U.S. Shareholder of Maiden Holdings and Maiden Insurance as a result of his seat on the board of Maiden Holdings. We believe, subject to the discussion below, that because of the anticipated dispersion of our share ownership, provisions in our organizational documents that limit voting power (these provisions are described under "Description of Share Capital") and other factors, no U.S. Person who acquires our shares in this offering directly or indirectly through one or more non-U.S. entities and did not own shares prior to this offering should be treated as owning (directly, indirectly through non-U.S. entities or constructively) 10% or more of the total voting power of all classes of Maiden Holdings' or Maiden Insurance's shares. However, the IRS could challenge the effectiveness of the provisions in our organizational documents and a court could sustain such a challenge. Accordingly, no assurance can be given that a U.S. Person who owns our shares other than Barry Zyskind will not be characterized as a 10% U.S. Shareholder. See "Material Tax Considerations — Taxation of Shareholders — United States Taxation — Classification of Maiden Holdings or Maiden Insurance as CFCs."

U.S. Persons who hold our shares may be subject to U.S. federal income taxation at ordinary income rates on their proportionate share of Maiden Insurance's related person insurance income.

If U.S. persons are treated as owning 25% or more of Maiden Insurance's shares (by vote or by value) (as is expected to be the case) and the related person insurance income or RPII of Maiden Insurance (determined on a gross basis) were to equal or exceed 20% of Maiden Insurance's gross insurance income in any taxable year and direct or indirect insureds (and persons related to those insureds) own directly or indirectly through entities 20% or more of the voting power or value of our shares, then a U.S. Person who owns any shares of Maiden Insurance (directly or indirectly through non-U.S. entities) on the last day of the taxable year would be required to include in its income for U.S. federal income tax purposes such person's pro rata share of Maiden Insurance's RPII for the entire taxable year, determined as if such RPII were distributed proportionately only to U.S. Persons at that date, regardless of whether such income is distributed. In addition, any RPII that is includible in the income of a U.S. tax-exempt organization generally will be treated as unrelated business taxable income. The amount of RPII earned by Maiden Insurance (generally, premium and related investment income from the direct or indirect insurance or reinsurance of any direct or indirect U.S. holder of shares or any person related to such holder) will depend on a number of factors, including the identity of persons directly or indirectly insured or reinsured by Maiden Insurance. We believe that either (i) the direct or indirect insureds of Maiden Insurance (and related persons) should not directly or indirectly own 20% or more of either the voting power or value of our shares or (ii) the RPII (determined on a gross basis) of Maiden Insurance should not equal or exceed 20% of Maiden Insurance's gross insurance income for a taxable year immediately following this offering and we do not expect both of these thresholds to be exceeded in the foreseeable future. However, we cannot be certain that this will be the case because some of the factors which determine the extent of RPII may be beyond our control. See "Material Tax Considerations — Taxation of Shareholders — United States Taxation — The RPII CFC Provisions."

U.S. Persons who dispose of our shares may be subject to U.S. federal income taxation at the rates applicable to dividends on a portion of their gains if any.

The RPII rules provide that if a U.S. Person disposes of shares in a non-U.S. insurance corporation in which U.S. Persons own 25% or more of the shares (even if the amount of gross RPII is less than 20% of the corporation's gross insurance income and the ownership of its shares by direct or indirect insureds and related persons is less than the 20% threshold), any gain from the disposition will generally be treated as a dividend to the extent of the holder's share of the corporation's undistributed earnings and profits that were accumulated during the period that the holder owned the shares (whether or not such earnings and profits are attributable to RPII). In addition, such a holder will be required to comply with certain reporting requirements, regardless of the amount of shares owned by the holder. These RPII rules should not apply to dispositions of our shares because Maiden Holdings will not be directly engaged in the insurance business. The RPII provisions, however, have never been interpreted by the courts or the U.S. Treasury Department in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the RPII rules by the IRS, the courts, or otherwise, might have retroactive effect. The U.S. Treasury Department has authority to impose, among other things, additional reporting requirements with respect to RPII. Accordingly, the meaning of the RPII provisions and the application thereof to Maiden Holdings and Maiden Insurance is uncertain. See "Material Tax Considerations — Taxation of Shareholders — United States Taxation — The RPII CFC Provisions."

U.S. Persons who hold our shares will be subject to adverse U.S. federal income tax consequences if Maiden Holdings is considered to be a passive foreign investment company.

If Maiden Holdings is considered a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes, a U.S. Person who owns directly or, in some cases, indirectly (e.g. through a non-U.S. partnership) any of our shares will be subject to adverse U.S. federal income tax consequences, including subjecting the investor to a greater tax liability than might otherwise apply and subjecting the investor to a tax on amounts in advance of when such tax would otherwise be imposed, in which case your investment could be materially adversely affected. In addition, if Maiden Holdings were considered a PFIC, upon the death of any U.S. individual owning our shares, such individual's heirs or estate would not be entitled to a "step-up" in the basis of the shares which might otherwise be available under U.S. federal income tax laws. We believe that we are not, and we currently do not expect to become, a PFIC for U.S. federal income tax purposes; however, we cannot assure you that we will not be deemed a PFIC by the IRS. For example, if Maiden Insurance is not able to expand its reinsurance business beyond its agreements with AmTrust's insurance companies or if Mr. Caviet and other similarly qualified individuals do not become full-time employees of Maiden Insurance, the IRS may successfully conclude that we should be characterized as a PFIC. There are currently no regulations regarding the application of the PFIC provisions to an insurance company. New regulations or pronouncements interpreting or clarifying these rules may be forthcoming. We cannot predict what impact, if any, such guidance would have on an investor that is subject to U.S. federal income taxation. See "Material Tax Considerations — Taxation of Shareholders — United States Taxation — Passive Foreign Investment Companies."

The IRS may take the position that transactions between AmTrust and Maiden Insurance do not constitute insurance or that Maiden Insurance is not engaged in the active conduct of an insurance business, due to the proportion of Maiden Insurance's premiums provided by AmTrust.

The IRS, in Revenue Ruling 2005-40, took the position that a transaction between an insurer and an insured did not provide risk distribution, and thus was not insurance for U.S. federal income tax purposes, when the insured provided over 90% of the insurer's premiums for the year. We do not believe the IRS would attempt to apply such a rule to quota share reinsurance transactions in which the ceding company cedes a significant number of unrelated risks to the reinsurer, even if the ceding company provided substantially all of the reinsurer's business, nor do we believe the IRS would be successful if it took such a position. Nevertheless, if the IRS successfully asserted such a position, and transactions between AmTrust and Maiden Insurance were not considered insurance, Maiden Holdings could be considered a PFIC. Further, it is possible that Maiden Insurance may not qualify for the insurance income exception to the PFIC rules for any taxable year in which its only business was the reinsurance of affiliates of AmTrust. As noted above, there could be material adverse tax consequences for an investor were Maiden Holdings to be considered a PFIC.

The reinsurance agreement between Maiden Insurance and AmTrust may be subject to recharacterization or other adjustment for U.S. federal income tax purposes, which may have a material adverse effect on our financial condition and operating results.

Under section 845 of the Code, the IRS may allocate income, deductions, assets, reserves, credits and any other items related to a reinsurance agreement among certain related parties to the reinsurance agreement, or in circumstances where one party is an agent of the other, recharacterize such items, or make any other adjustment, in order to reflect the proper source, character or amount of the items for each party. In addition, if a reinsurance contract has a significant tax avoidance effect on any party to the contract, the IRS may make adjustments with respect to such party to eliminate the tax avoidance effect. No regulations have been issued under section 845 of the Code. Accordingly, the application of such provisions is uncertain and we cannot predict what impact, if any, such provisions may have on us.

U.S. tax-exempt organizations that own our shares may recognize unrelated business taxable income.

A U.S. tax-exempt organization may recognize unrelated business taxable income if a portion of our insurance income is allocated to the organization. In general, insurance income will be allocated to a U.S. tax-exempt organization if either we are a CFC and the tax-exempt shareholder is a U.S. 10% Shareholder or there is RPII and certain exceptions do not apply. Although we do not believe that any U.S. Persons should be allocated such insurance income, we cannot be certain that this will be the case. See "Material Tax Considerations — Taxation of Shareholders — United States Taxation — Classification of Maiden Holdings or Maiden Insurance as CFCs" and "Material Tax Considerations — Taxation of Shareholders — United States Taxation — The RPII CFC Provisions." Potential U.S. tax-exempt investors are advised to consult their own tax advisers.

Changes in U.S. federal income tax law could materially adversely affect an investment in our shares.

Legislation has been introduced in the U.S. Congress intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the United States but have certain U.S. connections. It is possible that legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse effect on us, or our shareholders. For example, legislation has been introduced in Congress that would, if enacted, deny "qualified dividend income" treatment to amounts paid by any corporation organized under the laws of a foreign country which does not have a comprehensive income tax system, such as Bermuda. It is possible that this legislative proposal, if enacted, could apply retroactively. Therefore, depending on whether, when and in what form this legislative proposal is enacted, we cannot assure you that any dividends paid by us in the future would qualify for reduced rates of tax.

Additionally, the U.S. federal income tax laws and interpretations regarding whether a company is engaged in a trade or business within the United States, or is a PFIC or whether U.S. Persons would be required to include in their gross income the "subpart F income" or the RPII of a CFC are subject to change, possibly on a retroactive basis. There are currently no regulations regarding the application of the PFIC rules to insurance companies and the regulations regarding RPII are still in proposed form. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming. We cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

We may be subject to United Kingdom taxes, which would have an adverse effect on our financial condition and results of operations and on an investment in our shares.

A company which is resident in the UK for UK corporation tax purposes is subject to UK corporation tax in respect of its worldwide income and gains. Neither Maiden Holdings nor Maiden Insurance is incorporated in the UK. Nevertheless, Maiden Holdings or Maiden Insurance would be treated as being resident in the UK for UK corporation tax purposes if its central management and control were exercised in the UK. The concept of central management and control is indicative of the highest level of control of a company's affairs, which is wholly a question of fact. The directors and officers of both Maiden Holdings and Maiden Insurance intend to manage their affairs so that both companies are resident in Bermuda, and not resident in the UK, for UK tax purposes. However, Her Majesty's Revenue & Customs could challenge our tax residence status.

A company which is not resident in the UK for UK corporation tax purposes can nevertheless be subject to UK corporation tax at the rate of 30% if it carries on a trade in the UK through a permanent establishment in the UK, but the charge to UK corporation tax is limited to profits (including income profits and chargeable gains) attributable directly or indirectly to such permanent establishment.

The directors and officers of Maiden Insurance intend to operate the business of Maiden Insurance in such a manner that it does not carry on a trade in the UK through a permanent establishment in the UK. Nevertheless, Her Majesty's Revenue & Customs might contend successfully that Maiden Insurance is trading in the UK through a permanent establishment in the UK because:

- there is considerable uncertainty as to the activities which constitute carrying on a trade in the UK through a permanent establishment in the UK;
- a portion of Maiden Insurance's business will be reinsurance of AmTrust's UK insurance subsidiary;
- our President and Chief Executive Officer:
  - is expected to continue to serve as Managing Director of AmTrust International Underwriters Limited, which has substantial operations in the UK;
  - is expected to continue to be professionally based and personally tax resident in the UK during a transition period (which will not extend past December 31, 2007), traveling to Bermuda as needed,
  - is expected, thereafter, to split his time between the UK and Bermuda; and
  - has extensive relationships in the London reinsurance markets, which he intends to exploit for the benefit of Maiden Insurance; and
- the nature of the business of Maiden Insurance is not expected to require more than a relatively small underwriting team in Bermuda.

The UK has no income tax treaty with Bermuda. Companies that are neither resident in the UK nor entitled to the protection afforded by a double tax treaty between the UK and the jurisdiction in which they are resident are liable to income tax in the UK, at the basic rate of 22%, on the profits of a trade carried on in the UK, where that trade is not carried on through a permanent establishment in the UK. The directors and officers of Maiden Insurance intend to operate the business in such a manner that Maiden Insurance will not fall within the charge to income tax in the UK (other than by way of deduction or withholding) in this respect.

If either Maiden Holdings or Maiden Insurance were treated as being resident in the UK for UK corporation tax purposes, or if Maiden Insurance were treated as carrying on a trade in the UK, whether through a permanent establishment or otherwise, the results of the Group's operations would be materially adversely affected.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

Some of the statements in “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry Background,” “Business,” “Regulation,” “Management” and elsewhere in this prospectus, including those using words such as “believes,” “expects,” “intends,” “estimates,” “projects,” “predicts,” “assumes,” “anticipates,” “plans,” “target,” “goal,” “should,” “seeks” and comparable terms, are forward-looking statements. Forward-looking statements are not statements of historical fact and reflect our views and assumptions as of the date of this prospectus regarding future events and operating performance. Because we have a very limited operating history, many statements relating to us and our business, including statements relating to our competitive strengths and business strategies, are forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include but are not limited to those described under “Risk Factors,” including the following:

- our lack of any meaningful operating history;
- the risk that we may not be able to implement our business strategy;
- the ineffectiveness or obsolescence of our planned business strategy due to changes in current or future market conditions;
- our inability to hire skilled personnel or our loss of the services of one or more of our key executives;
- changes in regulation or tax laws applicable to us, our brokers or our customers;
- changes in the availability, cost or quality of insurance business that meets out reinsurance underwriting standards;
- actual results, changes in market conditions, changes affecting AmTrust’s business that we reinsure, the occurrence of catastrophic losses and other factors outside our control that may reduce demand for the types of insurance that we reinsure and require us to alter our anticipated methods of conducting our business, such as the nature, amount and types of risk we assume and the terms and limits of the products we intend to write;
- our ability to hire, retain and integrate our management team and other personnel;
- possible future downgrade in the rating of the Company;
- changes in rating agency policies or practices;
- our ability to obtain future financing;
- our heavy dependence on AmTrust for revenue in the initial years of operation, and possibly beyond and the risk that our arrangements with AmTrust may change or terminate;
- changes in accounting policies or practices;
- loss experience under our reinsurance agreements that is worse than we anticipated when we entered into those agreements;
- cyclical changes in the insurance and reinsurance market and changes in competitive conditions;
- the price and availability of retrocessional reinsurance;
- emerging and unanticipated claim and coverage issues;
- changes in regulations affecting us, our ceding companies or the types of insurance that we reinsure;
- changes in tax laws or policy, and positions taken by taxing authorities in the United States, the United Kingdom and elsewhere; and
- changes in general economic conditions, including inflation, foreign currency exchange rates, interest rates and other factors.

This list of factors is not exhaustive and should be read with the other cautionary statements that are included in this prospectus.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from our projections. Any forward-looking statements you read in this prospectus reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to, among other things, our operations, results of operations, growth strategy and liquidity. All subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by this paragraph. You should specifically consider the factors identified in this prospectus that could cause actual results to differ from those discussed in the forward-looking statements before making an investment decision. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We will not receive any proceeds from the sale of our common shares by the selling shareholders pursuant to this prospectus.

INSTITUTIONAL TRADING AND RELATED SHAREHOLDER MATTERS

Institutional Trading

Prior to the date of this prospectus, our common shares have not been listed or quoted on any national exchange or market system and there is no established public trading market for our common shares. However, following the closing of the private offering our common shares have been sold from time to time in private transactions. Some of those sales by certain qualified institutional buyers of our common shares in the private offering have been reported on the PORTAL Market, which facilitates the resale of unregistered securities pursuant to Rule 144A under the Securities Act among qualified institutional buyers. To our knowledge, the most recent price at which shares were resold on the PORTAL Market was $9.00 per share on September 13, 2007.

While our common shares have been sold privately from time to time after the closing of the private offering, and some of these trades have been reported on the PORTAL Market, this information is not complete because broker-dealers are not obligated to report all trades to the PORTAL Market. Shares sold pursuant to this prospectus will not continue to trade on the PORTAL Market.

Application will be made to have our common shares approved for listing on the NASDAQ Global Market or the New York Stock Exchange. The sale prices per share set forth above may not be indicative of the prices at which our common shares will be listed on the NASDAQ Global Market or the New York Stock Exchange.

Holders of Our Shares

As of August 10, 2007, we had 59,550,000 common shares issued and outstanding, which were held by four holders of record, our Founding Shareholders and Cede & Co. Cede & Co. holds shares on behalf of The Depository Trust Company, which itself holds shares on behalf of 335 beneficial owners of our common shares, as of August 10, 2007.

DIVIDEND POLICY

For the quarter ending September 30, 2007, our board of directors has authorized the payment of a cash dividend of $0.025 per common share to our shareholders of record on October 1, 2007 with a payment date of October 15, 2007. Our board of directors currently intends to authorize the payment of a quarterly cash dividend of $0.025 per common share to our shareholders of record each quarter thereafter. Any determination to pay dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant, including Bermuda legal and regulatory constraints.

Maiden Holdings is a holding company and has no direct operations. The ability of Maiden Holdings to pay dividends or distributions will depend almost exclusively on the ability of its subsidiaries to pay dividends to Maiden Holdings, and will be subject to regulatory, contractual, rating agencies and other constraints. Under Bermuda law, Maiden Insurance may not declare or pay a dividend if there are reasonable grounds for believing that it is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Further, Maiden Insurance, as a regulated insurance company in Bermuda, is subject to additional regulatory restrictions on the payment of dividends or other distributions. Also, Maiden Insurance is required to provide adequate security for its reinsurance obligations under the reinsurance agreements to which it is a party. Maiden Insurance may enter into contractual arrangements (for example, a credit facility or an indenture governing debt securities) that may restrict its ability to pay dividends. For a further description of the restrictions on the ability of our subsidiary to pay dividends, see “Risk Factors — Risks Related to Our Business — Our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments” and “Regulation — Regulation of Maiden Insurance — Minimum Solvency Margin and Restrictions on Dividends and Distributions.”

CAPITALIZATION

The following table sets forth our capitalization as of August 31, 2007 except for the accumulated deficit (and related impact on total shareholders' equity and total capitalization) which is set forth as of June 14, 2007. You should read the following table in conjunction with the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our balance sheet as of June 14, 2007 and related notes included in this prospectus.

	As of August 31, 2007
	(in thousands)
Debt	$ —
Shareholders' equity:	
Common shares, $0.01 par value per share, 100,000,000 shares authorized; 59,550,000 common shares issued and outstanding	596
Additional paid-in capital(1)	529,979
Accumulated deficit(1)(2)	(126)
Total shareholders' equity	530,449
Total capitalization	$ 530,449

(1) As described in the section captioned "Certain Relationships and Related Transactions - Founding Shareholders and Related Agreements," we issued warrants to purchase 4,050,000 of our common shares to our Founding Shareholders in connection with our formation and capitalization. At that time, a fair value of $19.5 million for these warrants was determined using the Black-Scholes model. The resulting fair value of the warrants has been recorded as an addition to additional paid-in capital offset by a reduction in additional paid-in capital as a return of capital, resulting in no impact to the net book value per share of our common shares.

(2) As of June 14, 2007.

Overview

We are a new Bermuda holding company organized to provide reinsurance business solutions to the property and casualty industry through Maiden Insurance, our reinsurance company subsidiary incorporated and licensed as a Class 3 insurer in Bermuda. Our solutions are expected to include quota share reinsurance as well as excess of loss reinsurance.

We offer our products to AmTrust and its subsidiaries as well as to small specialty property and casualty insurance companies located in the United States and Europe that are seeking to efficiently manage their capital. We may also reinsure other reinsurers of U.S. and European specialty property and casualty insurance business that have similar objectives. We also plan to conduct business with managing general agents in the United States and Europe that manage programs that fit our expertise in specialty insurance as well as Lloyd's syndicates and program administrators.

We entered into a quota share reinsurance agreement with AmTrust's Bermuda reinsurance subsidiary, AII, which provides quota share reinsurance to AmTrust's insurance company subsidiaries. We also entered into a master agreement with AmTrust pursuant to which we will cause Maiden Insurance, and AmTrust will cause its insurance company subsidiaries, through AII, to reinsure 40% of all business of the types currently written by the insurance subsidiaries and Maiden Insurance will have an option to reinsure any new types of business that they may write. Effective as of July 1, 2007, we reinsure 40% of all business written by AmTrust's insurance company subsidiaries that is subject to the reinsurance agreement. In addition, we also assumed through AII, effective as of July 1, 2007, 40% of the unearned premium reserve of AmTrust's insurance subsidiaries (and the corresponding loss exposure). The reinsurance agreement has an initial term of three years and will be extended for further terms of three years unless either party elects not to renew. In addition, AmTrust has advised us that we may have an opportunity to participate in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program, subject to the negotiation of mutually acceptable terms.

We also entered into an asset management agreement with AIIM, a subsidiary of AmTrust, having an initial term of one year which will extend for further terms of one year unless either party elects not to renew. Under the asset management agreement, we may also invest a portion of our assets in hedge funds managed by affiliates of AmTrust. We also entered into a reinsurance brokerage agreement with a subsidiary of AmTrust pursuant to which we receive reinsurance brokerage services in exchange for a fee of 1.25% of all premiums we reinsure from AmTrust.

Our relationship with AmTrust and its subsidiaries, including the agreements we have entered into with such companies, is described under "Business — Relationships with AmTrust" and "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries" in this prospectus.

Principal Revenue and Expense Items

Revenues

We derive our revenue from net premiums earned, ceding commission revenues, net investment income and net realized gains and losses on investments.

Net premiums earned. Premiums written include all premiums received by an insurance company during a specified accounting period, even if the policy provides coverage beyond the end of the period. Premiums are earned over the term of the related policies. At the end of each accounting period, the portion of the premiums that are not yet earned are included in the unearned premium reserve and are realized as revenue in subsequent periods over the remaining term of the policy. Thus, for example, for a one-year policy that is written on July 1, 2007, one-half of the premiums would be earned in 2007 and the other half would be earned in 2008. Workers' compensation policies are typically written for a one-year term. Other kinds of insurance, including extended warranty coverage, can have multi-year terms.

Net premiums earned are the earned portion of our net premiums written. Net premiums written are gross premiums written less premiums ceded to reinsurers in connection with reinsurance agreements. Our gross premiums (written and earned) will represent the assumed premiums from our reinsurance agreements. Reinsurers often cede a portion of their business to other reinsurers. A reinsurer that places business with another reinsurer is a retrocedent. A reinsurer which reinsures business retroceded to it is a retrocessionaire. We do not expect to retrocede a significant portion of our gross premiums at least initially.

Premiums written in Maiden Insurance consist of premiums assumed under the reinsurance agreement with AII and premiums assumed from other insurance and reinsurance companies. Such premiums written will be earned over the term of the underlying policies, typically twenty-four months.

Ceding commission revenues. We may earn ceding commission revenues on any gross premiums written that we retrocede to retrocessionaires in connection with reinsurance agreements. We expect these amounts to be minimal at least initially.

Net investment income and net realized gains and losses on investments. We invest our shareholders' equity and the funds supporting our insurance reserves (including unearned premium reserve and the reserves established to pay for losses and loss adjustment expenses) in investment securities and cash equivalents. Our investment income includes interest and dividends earned on our invested assets, net of investment management fees and other expenses. Realized gains and losses on invested assets will be reported separately from net investment income. We classify our portfolio of equity securities as available-for-sale and carry these securities on our balance sheet at fair value. Accordingly, adverse changes in the market prices of our equity securities result in a decrease in the value of our total assets and a decrease in our shareholders' equity.

Expenses

In our consolidated results, expenses consist of loss and loss adjustment expenses, operating expenses, interest expenses, and income taxes. Depending on the terms of the reinsurance agreements that we negotiate, our expenses may also include excise taxes, which are calculated as a percentage (1% for purposes of United States federal excise tax) of premiums ceded to us.

Losses and loss adjustment expenses. We establish loss and loss adjustment expense reserves in an amount equal to our estimate of the ultimate liability for claims under our reinsurance policies and the cost of adjusting and settling those claims. Our provision for loss and loss adjustment expense reserves in any period will include estimates for losses incurred (that is, the total sustained by us under policies, whether paid or unpaid) during such period and changes in estimates for prior periods.

Operating expenses. Operating expenses include acquisition costs and overhead costs.

Acquisition costs consist of ceding commission and direct commission expense and the portion of operating expenses that are related to the acquisition of reinsurance business. These costs are expected to be capitalized and amortized as an expense as the premiums are earned on the treaties to which they pertain.

Operating expenses that are not related to the acquisition of business, or overhead costs, are generally fixed in nature and will not vary significantly with the amount of premiums written. These costs will generally be expensed in the calendar period in which they are incurred. Capitalized expenditures which are related to certain technology and other projects or for the acquisition of software, and acquisitions of equipment or leasehold improvement assets will be capitalized and amortized as an expense over the estimated useful lives of such capitalized expenditures and assets.

Certain of our operating expenses are referred to as underwriting expenses. Underwriting expenses are expected to consist of ceding commission expenses and other underwriting expenses.

Ceding commission expenses. Maiden Insurance pays ceding commissions to other insurance companies, including AmTrust, for the reinsurance premiums that we assume. Ceding commissions are intended to compensate the ceding company for the costs incurred to acquire the ceded business. Ceding commissions are typically paid on traditional quota share reinsurance agreements, but not on excess of loss reinsurance agreements.

Under our quota share reinsurance agreement with AII, we pay a ceding commission calculated as a percentage of ceded premiums. The ceding commission is initially 31% and may be adjusted every six months beginning on the first anniversary of the effective date of the agreement and every six months thereafter, based on the net loss ratio of all business ceded under the quota share reinsurance agreement since the effective date. The 31% ceding commission rate will increase by 0.5% for every 1.0% decline in the net loss ratio below 60% up to a maximum ceding commission of 32%, and will decrease by 0.5% for every 1.0% increase in the net loss ratio above 60%, subject to a minimum ceding commission of 30%, as follows:

Net Loss Ratio	Ceding Commission Percentage (%)
62.0% or higher	30.0
61.0	30.5
60.0	31.0
59.0	31.5
58.0% or lower	32.0

Direct commission expense include the 1.25% reinsurance brokerage fee that we will pay to AmTrust on all reinsurance ceded by AmTrust as well as other reinsurance brokerage fees and commission expense we may incur to intermediaries.

Other operating expenses. Other operating expenses consist of other underwriting expenses related to our underwriting operations. Other underwriting expenses are expected to consist of general administrative expenses such as salaries, rent, office supplies, depreciation and all other operating expenses not otherwise classified separately.

In connection with our formation and capitalization, we issued warrants to our Founding Shareholders to purchase up to 4.05 million common shares. The aggregate value of these warrants, $19.5 million, has been recorded as an addition to additional paid-in-capital on the date of issuance with an offsetting charge to additional paid-in-capital as well.

Interest expense. Interest expense is a function of outstanding borrowing or funding commitments and the contractual interest rate related to these commitments.

Measurement of Results; Outlook

We use various measures to analyze the growth and profitability of our business operations. We measure growth in terms of gross and net premiums written and we measure underwriting profitability by examining our loss, underwriting expense and combined ratios. We also measure our gross and net written premiums to surplus ratios to measure the adequacy of capital in relation to premiums written. We analyze profitability by evaluating income before taxes, net income and return on average equity.

Premiums written. We use gross premiums written to measure our sales of reinsurance products. Gross premiums written also correlates to our ability to generate net premiums earned and, for certain products, fee income. We target a net leverage ratio, as measured by net premiums written to shareholders' equity, of between approximately 1.2 to 1 and approximately 1.7 to 1 after a start-up period.

Loss ratio. The loss ratio is the ratio of losses and loss adjustment expenses incurred to premiums earned and measures the underwriting profitability of our reinsurance business after the effect of any reinsurance. We target the pricing of our products to achieve a ratio of loss and loss adjustment expenses to net premiums earned of approximately 55.0% to 65.0% over time.

Underwriting expense ratio. The underwriting expense ratio is the ratio of ceding commission expenses and other underwriting expenses to premiums earned. The underwriting expense ratio measures our operational efficiency in producing, underwriting and administering our reinsurance business. We calculate our underwriting expense ratio on a gross basis (before the effect of ceded reinsurance) to measure our operational efficiency and on a net basis (after the effect of ceded reinsurance and related ceding commission income) to measure the effects on our consolidated income before income taxes. Ceding commission revenue is applied to reduce our gross underwriting expenses. We are currently targeting a ratio of underwriting expenses to net premiums earned of approximately 32.0% to 35.0%, but expect it to decline over time as third-party business increases.

Combined ratio. We use the combined ratio to measure our underwriting performance. The combined ratio is the sum of the loss ratio and the underwriting expense ratio. We analyze the combined ratio on a gross (before the effect of reinsurance) and net basis (after the effect of reinsurance). If the combined ratio is at or above 100%, we are not underwriting profitably and will not be profitable unless investment income is sufficient to offset underwriting losses. We target the pricing of our products and management of our expenses to achieve a combined ratio of 95% or less over time.

Net income and return on average equity. We use net income to measure our profits and return on average equity to measure our effectiveness in utilizing our shareholders' equity to generate net income on a consolidated basis. In determining return on average equity for a given year, net income is divided by the average of shareholders' equity for that year. Our target for return on average equity is 15% or better.

Critical Accounting Policies

Our consolidated financial statements contain certain amounts that are inherently subjective in nature and require management to make assumptions and best estimates to determine the reported values. If factors such as those described under the section captioned "Risk Factors" in this prospectus cause actual events or results to differ materially from management's underlying assumptions or estimates, actual results may differ, perhaps substantially, from the estimates.

The critical accounting policies and estimates set forth below involve, among others, the reporting of premiums written and earned, reserves for losses and loss adjustment expenses (including reserves for losses that have occurred but have not been reported by the financial statement date), and the reporting of deferred acquisition costs and investments.

Premiums. Premiums written on assumed reinsurance are written primarily on a "policies attaching" basis (and are written on a "policies attaching" basis under our reinsurance agreement with a subsidiary of AmTrust) and cover losses which attach to the underlying insurance policies written during the terms of the contracts. Premiums earned on a "policies attaching" basis usually extend beyond the calendar year in which the reinsurance contract is written, typically resulting in recognition of premiums earned over a 24 month period; this is because most policies have a term of 12 months, and policies written with an effective date in December, for instance, are not fully earned until December of the following year. We may also assume premiums on contracts and policies written on a losses occurring basis, which cover losses that occur during the term of the contract or policy, typically 12 months, and the premium is earned evenly over the term. Extended warranty policies often have terms in excess of 12 months (such as 24 months) and the coverages thereunder may extend for some period after the scheduled policy expiration.

Assumed premiums written and ceded may include estimates based on information received from brokers and ceding companies and estimates made by management, and any subsequent differences arising on such estimates are recorded in the periods in which they are determined. Premiums on our excess of loss reinsurance contracts are estimated by management when the business is underwritten. For such contracts, the minimum and deposit premium, as defined in the contract, is generally considered to be the best estimate of the contract's written premium at inception. Accordingly, this is the amount we generally expect to record as written premium in the period the underlying risks incept. As actual premiums are reported by brokers or ceding companies, management will evaluate the appropriateness of the premium estimate and any adjustment to this estimate will be recorded in the period in which it becomes known. Adjustments to original premium estimates could be material and such adjustments may directly and significantly impact earnings in the period they are determined because the subject premium may be fully or substantially earned.

Reinstatement premiums are written at the time a loss event occurs where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms and will be earned over the remaining risk period or immediately.

Losses and Loss Adjustment Expense Reserves. The reserves for losses and loss adjustment expenses include reserves for unpaid reported losses and losses incurred but not reported, to which we sometimes refer as IBNR. We record loss and loss adjustment expenses for reported claims based upon the amounts reported to us by the ceding company. We record IBNR based on an actuarial analysis for each type of business of the estimated losses we expect to incur for claims that have occurred under reinsurance policies whether these claims have been reported or not. These estimates are reviewed regularly, and such adjustments, if any, will be reflected in earnings in the period in which they become known and it is possible that these adjustments would have a significant impact on our earnings. Accordingly, ultimate losses and loss adjustment expenses may differ materially from the amounts recorded in the consolidated financial statements.

Inherent in the estimates of ultimate losses and loss adjustment expenses are expected trends in claim severity and frequency and other factors which may vary significantly as claims are settled. We plan to use statistical and actuarial methods to reasonably estimate ultimate expected losses and loss adjustment expenses. The period of time from the occurrence of a loss, the reporting of a loss to our company and the settlement of our liability may be several years. During this period, additional facts and trends may be revealed. As these factors become apparent, case reserves will be adjusted, sometimes requiring an increase in our overall reserves, including our IBNR reserves. Reserves for losses and loss adjustment expenses are also based in part upon the estimation of losses resulting from catastrophic events. Estimation of the losses and loss adjustment expenses resulting from catastrophic events is inherently difficult because of the possible severity of catastrophe claims, difficulties entering catastrophe hit areas to estimate claim amounts, and delays in receiving information about claims from program administrators or ceding companies. Therefore, we intend to utilize both proprietary and commercially available models, as well as historical reinsurance industry catastrophe claims experience, for purposes of evaluating and providing an estimate of ultimate claims costs.

Under U.S. GAAP, we are not permitted to establish loss reserves until the occurrence of an actual loss event. As a result, only loss reserves applicable to losses incurred up to the reporting date may be recorded, with no allowance for the provision of a contingency reserve to account for expected future losses. Losses arising from future events, which could be substantial, will be estimated and recognized at the time the loss is incurred.

Deferred acquisition costs. We defer certain expenses that are directly related to and vary with producing reinsurance business, including ceding commission expense on gross premiums written, premium taxes and certain other costs related to the acquisition of reinsurance contracts. These costs are capitalized and the resulting asset, deferred acquisition costs, is amortized and charged to expense in future periods as gross premiums written are earned. The method followed in computing deferred acquisition costs limits the amount of such deferral to its estimated realizable value. The ultimate recoverability of deferred acquisition costs is dependent on the continued profitability of our reinsurance underwriting. If our underwriting ceases to be profitable, we may have to write off a portion of our deferred acquisition costs, resulting in a further charge to income in the period in which the underwriting losses was recognized.

Reinsurance Accounting. Written premiums, earned premiums, incurred losses and loss adjustment expenses reflect the net effects of assumed and ceded reinsurance transactions. Reinsurance accounting is followed for assumed and ceded transactions when risk transfer requirements have been met. These requirements involve significant assumptions relating to the amount and timing of expected cash flows, as well as the interpretation of underlying contract terms.

Although we do not anticipate offering reinsurance contracts that do not meet risk transfer requirements, any reinsurance contracts that do not transfer significant insurance risk will be accounted for as deposits. These deposits will be accounted for as financing transactions, with interest expense credited to the contract deposit.

Investments. In accordance with our investment guidelines, our investments currently consist of high grade marketable fixed income securities and high-yield securities and are expected to include high grade marketable fixed income securities, high-yield securities and equity securities, including hedge funds. Through our asset management agreement with a subsidiary of AmTrust, we have access to AmTrust's extensive asset management experience. We invest approximately 80-85% of our investments in high grade marketable fixed income securities, cash and cash equivalents, and approximately 15-20% in other securities which may include high-yield securities and equity securities. Based on current interest rate levels, we target a yield of between 6.0 and 6.5% on our investments. We expect that our investment leverage (ratio of aggregate investments to shareholders' equity) will be approximately 2.0 to 1 over time. Investments we make in the ordinary course of business are classified as available for sale and carried at fair value as determined by the market price of each security as of the balance sheet date. Unrealized gains and losses on our investments are included in other comprehensive income and as a separate component of shareholders' equity. Realized gains and losses on sales of investments are determined on a specific identification basis. Investment income is recorded when earned and includes the amortization of premiums and discounts on investments.

We do not expect our investment portfolio to include options, warrants, swaps, collars or similar derivative instruments. In the event that we do make such investments, our investment policy guidelines provide that financial futures and options and foreign exchange contracts may not be used in a speculative manner, but may be used, subject to certain numerical limits, only as part of a defensive strategy to protect the market value of the portfolio. Also, our portfolio will not contain any direct investments in real estate or mortgage loans.

Impairment of invested assets. We will review our investment portfolio for impairment on a quarterly basis. Impairment of investment securities results in a charge to operations when a market decline below cost is deemed to be other-than-temporary. We will focus our attention on those securities whose fair value is less than amortized cost or cost, as appropriate. In evaluating potential impairment, we will consider, among other criteria: the current fair value compared to amortized cost or cost, as appropriate; the length of time the security's fair value has been below amortized cost or cost; our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in value; specific credit issues related to the issuer; and current economic conditions.

Intangible assets and potential impairment. If we make any acquisitions, the costs of a group of assets acquired will be allocated to the individual assets including identifiable intangible assets based on their relative fair values. Identifiable intangible assets with a finite useful life are expected to be amortized over the period which the asset is expected to contribute directly or indirectly to our future cash flows. Identifiable intangible assets with finite useful lives will be tested for recoverability whenever events or changes in circumstances indicate that a carrying amount may not be recoverable. An impairment loss will be recognized if the carrying value of an intangible asset is not recoverable and its carrying amount exceeds its fair value. Significant changes in the factors we will consider when evaluating our intangible assets for impairment losses could result in a significant change in impairment losses reported in our consolidated financial statements.

Deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Unpaid losses and loss adjustment expenses recoverable. Ceded losses recoverable from reinsurers are estimated using techniques and assumptions consistent with those used in estimating the liability for losses and loss adjustment expenses, and represent management's best estimate of such amounts. However, as changes in the estimated ultimate liability for losses and loss adjustment expenses are determined, the estimated ultimate amount recoverable from reinsurers will also change. Accordingly, the ultimate recoverable could be significantly in excess of or less than the amount indicated in the consolidated financial statements, and adjustments to these estimates are reflected in current operations.

Liquidity and Capital Resources

Substantially all of our operations are conducted by Maiden Insurance. Accordingly, we will have continuing cash needs for administrative expenses and the payment of principal and interest on any future borrowings and taxes. Funds to meet these obligations will come primarily from dividend payments from Maiden Insurance. There are restrictions on the payment of dividends by Maiden Insurance which are described in more detail under the sections captioned "Risk Factors — Our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments" and "Regulation — Regulation of Maiden Insurance — Minimum Solvency Margin and Restrictions on Dividends and Distributions."

Our Liquidity Requirements

Our principal consolidated cash requirements are net cash settlements under our reinsurance agreement, payment of losses and loss adjustment expenses, ceding commissions to insurance companies including AmTrust, excise taxes, operating expenses and dividends to our shareholders and debt service, if any. For the quarter ending September 30, 2007, our board of directors has authorized the payment of a cash dividend of $0.025 per common share to our shareholders of record on October 1, 2007 with a payment date of October 15, 2007. Our board of directors currently intends to authorize the payment of a quarterly cash dividend of $0.025 per common share to our shareholders of record each quarter thereafter. See "Dividend Policy." Any determination to pay dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant, including Bermuda legal and regulatory constraints.

Sources of Cash

Our sources of cash principally consist of the net proceeds from our private offering, assumed premiums collected (including the amounts transferred to us in connection with the cession of 40% of AmTrust's unearned premium reserve effective as of July 1, 2007), which amounts are expected to be approximately $125 million, net cash settlements under our reinsurance agreement, fee income for services provided, investment income and proceeds from sales and redemptions of investments. We may also enter into a credit facility with a syndicate of lenders and we expect to use any such facility for general corporate purposes, working capital requirements and issuances of letters of credit. We believe that any credit facility would require compliance with financial covenants, such as a leverage ratio, a consolidated tangible net worth ratio and maintenance of ratings. Any credit facility would likely contain additional covenants that restrict the activities of Maiden Insurance, such as the incurrence of additional indebtedness and liens and the payment of dividends and other payments. We currently have no commitment from any lender with respect to a credit facility. We cannot assure you that we will be able to obtain a credit facility on terms acceptable to us.

Restrictions on Dividend Payments from our Operating Subsidiaries

Bermuda legislation imposes limitations on the dividends that Maiden Insurance may pay. As a regulated insurance company in Bermuda, Maiden Insurance is required under the Insurance Act to maintain a specified solvency margin and a minimum liquidity ratio and will be prohibited from declaring or paying any dividends if doing so would cause Maiden Insurance to fail to meet its solvency margin and its minimum liquidity ratio. Under the Insurance Act, Maiden Insurance may not declare or pay dividends without the approval of the BMA if Maiden Insurance failed to meet its solvency margin and minimum liquidity ratio on the last day of the previous fiscal year. Under the Insurance Act, Maiden Insurance is prohibited, without the approval of the BMA, from reducing by 15% or more its total statutory capital as set forth on its financial statements for the previous year. In addition, under the Companies Act, Maiden Insurance may not declare or pay a dividend, or make a distribution from contributed surplus, if there are reasonable grounds for believing that it is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of its assets would be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Reinsurance Security Trust Accounts and Other Collateral

Generally, under U.S. state insurance laws, a ceding company is not permitted to take credit for reinsurance in its statutory financial statements (meaning that it is not permitted to reduce its liabilities in such financial statements by the amount of losses ceded to a reinsurer) unless the reinsurer is accredited, licensed or otherwise approved by the insurance regulator in the ceding company's state of domicile or provides collateral to secure its obligations to the ceding company under the reinsurance agreement. Acceptable collateral for these purposes can take a number of forms, including a "funds withheld" account (in which the ceding company retains control of the funds representing premiums transferred to the reinsurer and deducts ceded losses from such funds), letters of credit or a trust account established for the benefit of the ceding company (often called a "Regulation 114 trust"). We expect that Maiden Insurance will not be an accredited, licensed or otherwise approved reinsurer in any U.S. state and that it will establish Regulation 114 trusts for the benefit of its ceding companies domiciled in the United States. A Regulation 114 trust must be funded with cash or high-quality instruments in an amount equal to at least 102% of the reinsurer's obligations to the ceding company in order to receive credit on its statutory financial statements.

Further, Maiden Insurance has agreed to collateralize its obligations under its reinsurance agreement with AII by one or more of the following methods, at the election of Maiden Insurance:

- by lending assets to AII pursuant to a loan agreement between Maiden Insurance and AII, with such assets being deposited by AII into the Regulation 114 trusts established or to be established by AII for the sole benefit of AmTrust's U.S. insurance subsidiaries pursuant to the reinsurance agreements between AII and those AmTrust subsidiaries;

- by transferring to AII assets for deposit into those Regulation 114 trusts;

- by delivering letters of credit to the applicable AmTrust U.S. insurance subsidiaries on behalf of AII; or

- by requesting that AII cause such AmTrust U.S. insurance subsidiaries to withhold premiums otherwise payable to Maiden Insurance through AII.

As a result of our planned use of Regulation 114 trusts accounts, a substantial portion of our assets, including a disproportionate share of our higher-quality fixed-income investments, will not be available to us for other uses, which will reduce our financial flexibility. See "Regulation — United States Regulation — Credit for Reinsurance."

Exposures to Market Risk

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that we will incur losses in our investments due to adverse changes in market rates and prices. Market risk is directly influenced by the volatility and liquidity in the market in which the related underlying assets are invested. We believe that we are principally exposed to three types of market risk: changes in interest rates, changes in credit quality of issuers of investment securities and reinsurers, and changes in equity prices.

Interest Rate Risk

Interest rate risk is the risk that we may incur economic losses due to adverse changes in interest rates. The primary market risk to the investment portfolio is interest rate risk associated with investments in fixed maturity securities. Fluctuations in interest rates have a direct impact on the market valuation of these securities.

Credit Risk

In providing reinsurance, we will have premiums receivable subject to credit risk of the ceding company. Our credit risk results from the insureds' potential inability to meet its premium obligations.

We also are exposed to credit risk on our investment portfolio. Our credit risk is the potential loss in market value resulting from adverse change in the borrower's ability to repay its obligations. Our investment objectives are to preserve capital, generate investment income and maintain adequate liquidity for the payment of claims and debt service, if any. We seek to achieve these goals by investing in a diversified portfolio of securities. We manage credit risk through regular review and analysis of the creditworthiness of all investments and potential investments.

If we retrocede business to other reinsurers, we will have reinsurance recoverables subject to credit risk. To mitigate the risk of these counterparties' nonpayment of amounts due, we will establish business and financial standards for reinsurer approval, incorporating ratings and outlook by major rating agencies and considering then-current market information. Further, we are subject to the credit risk that AII and/or AmTrust will fail to perform their obligations to pay interest on and repay principal of amounts loaned to AII pursuant to its loan agreement with Maiden Insurance, and to reimburse Maiden Insurance for any assets or other collateral of Maiden that AmTrust's U.S. insurance company subsidiaries apply or retain, and income on those assets.

Equity Risk

Equity risk is the risk that we may incur economic losses due to adverse changes in equity prices. Our exposure to changes in equity prices primarily result from our holdings of common stocks and other equities. Our portfolio of equity securities will be carried on the balance sheet at fair value.

Portfolio characteristics are analyzed regularly and market risk will be actively managed through a variety of modeling techniques. We expect that our equity holdings will be diversified across industries, as concentrations in any one company or industry are limited by parameters established by senior management.

Inflation

Property and casualty insurance premiums are established before the primary insurer knows the amount of losses and loss adjustment expenses or the extent to which inflation may affect such amounts. We attempt to anticipate the potential impact of inflation in establishing our reserves, especially as it relates to medical and hospital rates where historical inflation rates have exceeded the general level of inflation. Inflation in excess of the levels we have assumed could cause loss and loss adjustment expenses to be higher than we anticipated, which would require us to increase reserves and reduce earnings.

Substantial future increases in inflation could also result in future increases in interest rates, which in turn are likely to result in a decline in the market value of the investment portfolio and produce unrealized losses.

Contractual Obligations

As of August 1, 2007, we have contractual obligations that are summarized in the following table:

	Total	Less Than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Long-term debt	—	—	—	—	—
Capital leases	—	—	—	—	—
Operating leases (1)	$ 318,700	$ 174,700	$ 144,000	—	—
Purchase Obligations	—	—	—	—	—
Any other long-term liabilities (2)	—	—	—	—	—
Total	$ 318,700	$ 174,700	$ 144,000	—	—

(1) Consists of lease payments due on two leases, pursuant to which we lease premises in Bermuda. The initial term of the first lease expires on July 31, 2009 and the initial term of the second lease expires on August 31, 2008.

Off-Balance Sheet Transactions

We have no off-balance sheet arrangements or transactions with unconsolidated, special purpose entities.

INDUSTRY BACKGROUND

Overview

The property and casualty industry historically has been cyclical. When excess underwriting capacity exists, increased competition generally results in lower pricing and less favorable policy terms and conditions for insurers and reinsurers. As underwriting capacity contracts, pricing and policy terms and conditions generally become more favorable for insurers and reinsurers. In the past, underwriting capacity has been impacted by several factors, including catastrophes, industry losses, recognition of reserve deficiencies, changes in the law and regulatory environments, investment returns and the ratings and financial strength of competitors.

According to A.M. Best, the aggregate combined ratio for the property and casualty industry was 92% in 2006 - the lowest combined ratio that the industry has experienced since 1993. This underwriting profit is partly due to the absence of major catastrophes in the United States in 2006. The combination of the low level of catastrophes in the U.S., capital raised by insurance and reinsurance companies and significant underwriting profits in 2006 could potentially impact the general pricing environment going forward.

Industry Overview

Workers' Compensation Insurance

Workers' compensation is a statutory system under which an employer is required to pay for its employees' medical, disability and vocational rehabilitation and death benefit costs for work-related injuries or illnesses. While some employers elect to self-insure workers' compensation risks, most employers purchase workers' compensation insurance. The principal concept underlying workers' compensation laws is that employees injured in the course and scope of their employment have only the legal remedies available under workers' compensation laws and do not have any other recourse against their employer. An employer's obligation to pay workers' compensation does not depend on any negligence or wrongdoing on the part of the employer and exists even for injuries that result from the negligence or fault of another person, a co-employee or, in most instances, the injured employee. Workers' compensation laws vary by state.

Workers' compensation insurance policies generally provide that the insurance carrier will pay all benefits that the insured employer may become obligated to pay under applicable workers' compensation laws. Each state has a regulatory and adjudicatory system that quantifies the level of wage replacement to be paid, determines the level of medical care required to be provided and the cost of permanent impairment and specifies the options in selecting medical providers available to the injured employee or the employer. These state laws generally require two types of benefits for injured employees: (i) medical benefits, which include expenses related to diagnosis and treatment of the injury, as well as any required rehabilitation, and (ii) indemnity payments, which consist of temporary wage replacement, permanent disability payments and death benefits to surviving family members. To fulfill these mandated financial obligations, virtually all employers purchase workers' compensation insurance or, if permitted by state law, self-insure. Employers may purchase workers' compensation insurance from a private insurance carrier, a state-sanctioned assigned risk pool or a self-insurance fund, which is an entity that allows employers to obtain workers' compensation coverage on a pooled basis, typically subjecting each employer to joint and several liability for the entire fund.

We believe the challenges faced by the workers' compensation industry over the past decade have created significant opportunity for workers' compensation insurers to increase the amount of business that they write. Workers' compensation insurance industry calendar year combined ratios, which had reached 122% in 2001, declined to 92.6% in 2006 as a result of premium rate increases and decline in claim frequency. As a result of the opportunity arising from these trends, the workers' compensation market recently has become more competitive and price competition is increasing.

Specialty Risk and Extended Warranty

Extended warranty and accidental damage plans offered by manufacturers, service providers, retailers and third-party administrators provide coverage to purchasers of the subject consumer or commercial goods or other property against mechanical failure, accidental damage and other specified risks. These plans supplement basic manufacturer's warranties by providing coverage for a defined time period after the expiration of the basic warranty, additional types of losses, or both. In some instances, the manufacturer, service provider or retailer offers its extended warranty or accidental damage plans directly to its customers. In others, the manufacturer, service provider or retailer partners with a third-party administrator which offers the plans to users of the covered goods.

A plan may consist of a service contract setting forth the terms of the extended warranty, accidental damage or other coverage, issued by the plan provider (the manufacturer, service provider, retailer or third-party administrator) or an insurance policy or insurance certificate issued by the plan provider on behalf of an insurer (often at the point of sale of the covered product). In the former case, the plan provider often seeks to mitigate its risk of loss through the purchase of contractual liability insurance. In a typical plan, the plan provider or insurer assumes the risk of mechanical failure, accidental damage or other covered losses in exchange for the payment of a fee or premium. If the plan provider is not an insurer, the plan provider typically remits part of the service contract fee to the contractual liability insurer as premium.

Specialty Middle-Market Property and Casualty

The specialty middle-market property and casualty market generally covers relatively homogeneous, narrowly defined segments of primary commercial property and casualty insurance, which requires in-depth knowledge of the industry segment and underwriting expertise. Underwriting often entails customized coverage, loss control and claims services as well as risk sharing mechanisms. Competition in this segment is based primarily on client service, availability of insurance capacity, specialized policy forms, efficient claims handling and other value-based considerations, rather than price. In some instances, initial underwriting and claims functions are outsourced to specialized general agents and third-party administrators.

Agents or insureds typically participate in underwriting results, through a variety of structures, such as captive insurance, risk retention groups and profit-based commissions, which are designed to provide greater stability in premium costs and control over insurance expenses for the insurance companies writing this risk.

The Bermuda Insurance Market

Over the past 15 years, Bermuda has become one of the world's leading insurance and reinsurance markets. Bermuda provides a favorable tax environment and its regulatory regime affords significant flexibility to those companies that meet specified solvency and liquidity requirements. A Bermuda domicile creates an attractive platform for insurance and reinsurance companies and permits these companies to commence operations quickly, to respond rapidly to changes in market conditions and to expand as business warrants. Additionally, a Bermuda underwriting location provides us with a particular advantage in underwriting because reinsurers are free of many U.S. regulations and there are no limitations upon the use of coverage restrictions. Accordingly, our underwriters can use appropriate exclusions, terms and conditions to eliminate particular risks or exposures that are deemed to be significant.

Bermuda's position in the insurance and reinsurance markets solidified after the events of September 11, 2001 and the 2005 hurricane season. Approximately $25 billion of new capital was raised globally by insurance and reinsurance companies from Hurricane Katrina through July 31, 2006, with $18 billion, or 75%, invested in the insurance and reinsurance sector in Bermuda. A significant portion of the capital invested in Bermuda was used to fund Bermuda-based start-up insurance and reinsurance companies, not just existing reinsurers.

Most Bermuda-domiciled insurance and reinsurance companies have pursued business diversification and international expansion. Many of these companies, which were established as mono-line specialist underwriters, have since diversified their operations, either across property and liability lines, into new international markets, or through a combination of both of these methods to achieve long-term growth and better risk exposure. Bermuda is now recognized as one of the leading insurance and reinsurance markets, currently serving as the headquarters for an increasing number of global insurance and reinsurance companies.

There are a number of other factors that have made Bermuda the venue of choice for us and other new property and casualty companies over the last several years, including:

- a favorable regulatory and tax environment, which affords significant flexibility to companies meeting certain solvency and liquidity requirements;
- recognition as a highly reputable business center that provides excellent professional and other business services;
- a well-developed insurance industry with a strong network of brokers;
- a well-developed captive insurance industry;
- ease of access to global insurance and reinsurance markets; and

- political and economic stability.

One effect of the considerable expansion of the Bermuda insurance market is a growing demand for the limited number of trained underwriting and professional staff in Bermuda. Many companies have addressed this issue by importing appropriately trained employees into Bermuda. The increasing constraints in this area may create difficulties for new companies such as ours seeking to enter the Bermuda insurance market.

BUSINESS

While we intend to operate our business as described in this prospectus, we are a new company with a very limited operating history. As a result of our experience, changes in market conditions and other factors outside our control, we may alter our anticipated methods of conducting our business, such as the nature, amount and types of risks we assume and the terms and limits of the products we intend to write.

Overview

We are a new Bermuda holding company formed in June of 2007 to provide reinsurance solutions, products and services to U.S. and European insurance companies which specialize in products offering coverage at low limits or insuring risks which are believed to be low hazard, predictable and generally not susceptible to catastrophe claims. Our founding shareholders, Michael Karfunkel, George Karfunkel and Barry Zyskind (the "Founding Shareholders"), are the majority shareholders and, respectively, the Chairman of the Board of Directors, a Director and the Chief Executive Officer of AmTrust (NASDAQ: AFSI), a multinational insurance holding company which specializes in such risks. We were formed to take advantage of the opportunity to partner with AmTrust and opportunities to partner with insurers, like AmTrust, that focus on specialty insurance markets in which they have developed expertise. We intend to provide innovative reinsurance business solutions for such insurance companies, to enable them to improve their capacity and ability to deliver and market their products and services.

We project that a substantial amount of our reinsurance business during the initial years of our operation will be derived from AmTrust while we gradually develop business opportunities from other sources. We entered into a quota share reinsurance agreement with AII, which reinsures AmTrust's insurance company subsidiaries. We also entered into a master agreement with AmTrust, pursuant to which we agreed to cause Maiden Insurance and AmTrust agreed to cause its insurance company subsidiaries, through AII, effective as of July 1, 2007, to reinsure 40% of the written premium (net of commissions, in the case of AmTrust's UK subsidiary), net of reinsurance with unaffiliated reinsurers, on the existing lines of business and, possibly, future lines of business of AmTrust's insurance company subsidiaries. We pay AmTrust a ceding commission which is intended to cover AmTrust's acquisition costs, and a brokerage commission equal to 1.25% of all premiums we reinsure from AmTrust. The ceding commission rate is initially 31% and may be adjusted every six months beginning on the first anniversary of the effective date of the reinsurance agreement and every six months thereafter, based on the net loss ratio of all business ceded under the quota share reinsurance agreement from the effective date through the date that is six months prior to the adjustment date. The 31% ceding commission rate will increase by 0.5% for every 1.0% decline in the net loss ratio below 60% up to a maximum ceding commission of 32%, and will decrease by 0.5% for every 1.0% increase in the net loss ratio above 60%, subject to a minimum ceding commission of 30%. We also assumed, effective as of July 1, 2007, 40% of AmTrust's unearned premium reserve, which we expect to result in a transfer to us of approximately $125 million. The quota share reinsurance agreement has a three year term and will be extended for further terms of three years unless either party elects not to renew. The agreement is subject to early termination in certain events, including AmTrust's right to terminate if Maiden Insurance's A.M. Best rating is reduced below its current rating of "A-." We and AmTrust believe that the quota share reinsurance agreement helps align AmTrust's interests with ours in fostering the success of our company.

AmTrust primarily underwrites coverage in three market segments: workers' compensation for small businesses (average premium less than $5,000 per policy) in the United States; specialty risk and extended warranty coverage for consumer and commercial goods and custom designed coverages, such as accidental damage plans and payment protection plans offered in connection with the sale of consumer and commercial goods, in the United Kingdom, certain other European Union countries and the United States; and specialty middle-market property and casualty insurance, which consists of workers' compensation, commercial auto, and general liability programs for policyholders in discrete industry segments that generally are underwritten by managing general agents with expertise in those segments.

AmTrust has achieved profitable growth and favorable returns on equity through its focus on specialty insurance markets in which it has underwriting, risk management and claims handling expertise and through the development of proprietary applications and efficient technology information systems for underwriting new business, processing claims and monitoring the performance of its business. AmTrust's business has grown substantially since 2002 when its annual gross premiums were $27.5 million. AmTrust's annual gross premiums written in 2006, 2005 and 2004 were $526.1 million, $286.1 million and $210.9 million, respectively.

For 2006, 2005 and 2004, AmTrust achieved net loss ratios of 63.9%, 65.7% and 65.0%, respectively. The table below sets forth the net loss ratios for each of AmTrust's segments in 2006, 2005 and 2004.

	Year Ended December 31,		
	2006	2005	2004
Segment			
Small Business Workers' Compensation	60.1%	65.0%	63.3%
Specialty Risk and Extended Warranty	77.8%	68.1%	72.3%
Specialty Middle-Market Property and Casualty	62.8%	N/A	N/A

We believe that our relationship with AmTrust should enable us to achieve profitable growth in our first years of operations. However, we also plan to pursue opportunities to reinsure insurance companies, which, like AmTrust, specialize in workers' compensation for small businesses in low and medium hazard classes, commercial property and casualty program business for discrete industry segments which are underwritten by general agents with proven expertise and extended warranty and specialty risk programs which are characterized by low coverage limits and high volume. We believe we can attract small and medium-sized insurance companies which require additional capacity. In addition, we believe that we will be able to offer our prospective reinsureds expertise in underwriting and administering specialty property and casualty business, to our mutual benefit.

Maiden Insurance has received a financial strength rating of "A-" (Excellent) from A.M. Best, which is the fourth highest of fifteen rating levels. A rating from A.M. Best indicates A.M. Best's opinion of our financial strength and ability to meet ongoing obligations to our future policyholders.

The maintenance of the assigned rating will depend upon a number of factors including Maiden Insurance operating substantially as our management has represented to A.M. Best. A.M. Best formally evaluates its financial strength ratings of insurance companies at least once every twelve months and monitors the performance of rated companies throughout the year.

Our Founding Shareholders

In connection with our formation and capitalization prior to the private offering we issued our Founding Shareholders 7,800,000 common shares in exchange for an investment of $50 million in us. The common shares held by our Founding Shareholders currently represent 13.1% of our outstanding common shares. In connection with our formation and capitalization, we also issued 10-year warrants to our Founding Shareholders to purchase an additional 4,050,000 common shares at an exercise price of $10.00 per share, which shares currently represent 6.4% of our common shares outstanding assuming the exercise of all outstanding warrants. The shares held by our Founding Shareholders, together with the shares issuable upon exercise of our Founding Shareholders' warrants, currently represent 18.6% of our outstanding common shares assuming the exercise of all outstanding warrants. For a description of the terms of our Founding Shareholders' warrants, please see "Certain Relationships and Related Transactions — Founding Shareholders and Related Agreements."

Relationships with AmTrust

Maiden Insurance has entered into a quota share reinsurance agreement (the "Reinsurance Agreement") with AmTrust's Bermuda reinsurance subsidiary, AmTrust International Insurance Ltd. ("AII"). AII reinsures all of AmTrust's insurance company subsidiaries (the "AmTrust Ceding Insurers"). The AmTrust Ceding Insurers are Rochdale Insurance Company, a New York corporation ("RIC"), Technology Insurance Company, a New Hampshire corporation ("TIC"), Wesco Insurance Company, a Delaware corporation ("WIC"), AmTrust International Underwriters Ltd., an Irish insurance company ("AIU"), IGI Insurance Company, a United Kingdom limited liability company ("IGI"), Associated Industries Insurance Company, Inc., a Florida corporation ("AIIC") (effective once AIIC receives all regulatory approvals required for AIIC to enter into a reinsurance agreement with AII) and any other insurance company in which AmTrust acquires a majority interest from time to time in the future.

Pursuant to the Reinsurance Agreement, commencing as of 12:01 a.m. on July 1, 2007 (the "Effective Time"), Maiden Insurance reinsures, through AII, 40% of all Ultimate Net Loss each such AmTrust Ceding Insurer incurs as a result of risks attaching during the term of the Reinsurance Agreement under all of their respective workers' compensation, specialty middle-market property and casualty (consisting of workers' compensation, general liability, commercial property, commericial automobile liability and auto physical damage insurance placed through program underwriting agents), specialty risk and extended warranty policies in-force during the term of the Reinsurance Agreement (the "Policies"). The lines of insurance included in the Policies are the only kinds of insurance that the AmTrust Ceding Insurers currently write. Maiden Insurance's maximum liability in respect of a single reinsured loss under a Policy (other than any loss adjustment expenses, extra-contractual obligations or loss in excess of policy limits attributable thereto) shall not exceed $2,000,000. "Ultimate Net Loss" means the sum actually paid or to be paid by an AmTrust Ceding Insurer in settlement of losses for which it is liable, after making deductions for all unaffiliated inuring reinsurance, whether collectible or not, and all other recoveries, and shall include loss adjustment expenses, extra-contractual obligations and loss in excess of policy limits.

Pursuant to the Reinsurance Agreement, AII will transfer to Maiden Insurance on or before October 31, 2007 an amount equal to 40% of the portion of the direct premiums attributable to the Policies that was unearned as of the Effective Time. In addition, for the term of the Reinsurance Agreement, Maiden Insurance will be entitled to receive reinsurance premium in an amount equal to 40% of the AmTrust Ceding Insurers' gross written premiums in respect of business covered under the Reinsurance Agreement, net of the cost of unaffiliated inuring reinsurance, and, in the case of IGI, the cost of commissions paid to producers (the "Subject Premium").

Maiden Insurance pays AII a ceding commission. The ceding commission rate is initially 31% of the ceded Subject Premium and may be adjusted every six months beginning on the first anniversary of the Effective Time and every six months thereafter, based on the net loss ratio of all business ceded under the Reinsurance Agreement from the Effective Time through the date that is six months prior to the adjustment date. The 31% ceding commission rate will increase by 0.5% for every 1.0% decline in the net loss ratio below 60% up to a maximum ceding commission of 32%, and will decrease by 0.5% for every 1.0% increase in the net loss ratio above 60%, subject to a minimum ceding commission of 30%. AII has agreed that the ceding commission includes provision for all commissions, taxes, assessments (other than assessments based on losses), and all other expenses of whatever nature, except loss adjustment expenses.

AmTrust has agreed that, if the AmTrust Ceding Insurers elect to write lines of insurance other than the Policies, AII must offer Maiden Insurance, through the Reinsurance Agreement, the opportunity to reinsure such policies pursuant to the Reinsurance Agreement.

AmTrust has advised us that we may have an opportunity to participate in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program, subject to the negotiation of mutually acceptable terms.

In addition to the Reinsurance Agreement, we entered into an asset management agreement with AIIM, a subsidiary of AmTrust, by which the AmTrust subsidiary provides investment management services for an annual fee equal to 0.35% of average invested assets plus all costs incurred, except that this fee is not charged with respect to any assets invested in a hedge fund for which AmTrust or an affiliate earns a management fee or other compensation. The asset management agreement has an initial term of one year and is automatically renewable for additional one-year terms unless either party elects not to renew. AmTrust manages assets in excess of $1 billion for its insurance company subsidiaries as of August 25, 2007. The asset management agreement enables us to take advantage of AmTrust's asset management expertise in a cost-effective manner.

In addition, Maiden Insurance pays to AII Reinsurance Broker Ltd., a Bermuda affiliate of the AmTrust Ceding Insurers, pursuant to a reinsurance brokerage agreement between those parties, a brokerage fee equal to 1.25% of the premium reinsured from AmTrust. The brokerage fee is payable in consideration of AII Reinsurance Broker Ltd.'s brokerage services.

Our Chief Executive Officer, Max G. Caviet, and interim Chief Financial Officer, Ronald E. Pipoly, Jr., currently are AmTrust executives. We are in the process of hiring a permanent Chief Financial Officer who is expected to join Maiden in the fourth quarter of 2007. Mr. Caviet is expected to become a full-time employee following a transition period which will not extend beyond December 31, 2007.

We have entered into employment agreements with Messrs. Caviet and Turin, and these agreements are provisional with a term not extending beyond December 31, 2007 until we can negotiate definitive employment agreements with them. If we are unable to reach a definitive agreement with Mr. Caviet before December 31, 2007, we will lose his services and he will remain in his positions at AmTrust on a full-time basis. If we are unable to reach a definitive agreement with Mr. Turin, he will remain in his position with our Company and his provisional agreement will be extended until June 30, 2008. We expect that, while Mr. Caviet will not devote all of his time to the Company, he will devote sufficient time to the Company to start up its business while transferring his duties at AmTrust to others and maintaining the business relationships which we expect to benefit both companies.

We and AmTrust anticipate that AmTrust will often be in the position to refer us business from third parties, which it is unable to underwrite due to conflicts or for other reasons and which will be underwritten by other carriers and reinsured by us.

From time to time, we and AmTrust may both be presented with opportunities to insure, reinsure or acquire the same book of business. Because of the overlaps between our and AmTrust's shareholders and management, we and AmTrust have agreed that in such cases each company will refer the opportunities to a committee of its independent directors to decide whether that company wishes to pursue the opportunity.

For additional information on our relationships with AmTrust, see "Certain Relationships and Related Transactions."

Market Opportunities and Industry Trends

We believe that insurance companies that underwrite specialty property and casualty products, such as workers' compensation for employers in specific low and medium hazard classes, commercial property and casualty programs for businesses in discrete industry segments, and extended warranty and other specialty programs often do not receive appropriate consideration from reinsurers for their expertise, the risk profile of their insureds, and the distinctions between their specialty products and general insurance products. This is particularly true for small insurance companies. We believe that the lack of reinsurance sources with expertise in specialty property and casualty business is one of the key restraints on the growth of specialty business and, in some cases, of the insurers that underwrite it.

Given our senior management's expertise and established track record in underwriting primary specialty property and casualty business, we believe we are well placed to identify opportunities with insurance companies that write such business and to offer them reinsurance solutions that will enhance their profitability.

Business Strategy

In order to capitalize on our strategic relationship with AmTrust and the market opportunities we have identified in the specialty property and casualty insurance company sector, we are pursuing the following business strategies:

- *Rely on AmTrust as an Initial Principal Production Source*. Currently, our business consists of our quota share reinsurance agreement with a subsidiary of AmTrust. The agreements we entered into with AmTrust provide that Maiden Insurance will reinsure 40% of the insurance underwritten by AmTrust's current and hereafter acquired insurance companies. We project that a substantial amount of our reinsurance business during the initial years of our operation will be derived from AmTrust while we gradually develop business opportunities from other distribution sources.

- *Deliver Reinsurance Solutions to Insurance Companies*. We plan to provide quota share and excess of loss reinsurance and other reinsurance solutions primarily to U.S. and European insurance companies that underwrite specialty property and casualty business, particularly small insurance companies that underwrite such business and that could benefit from the additional underwriting capacity provided by reinsurance to expand their operations. We believe our management team's significant prior operating experience and extensive relationships with program administrators, general agents, reinsurance companies and intermediaries will provide significant opportunities to expand our reinsurance clients beyond AmTrust.

- *Strategic Acquisitions*. As we grow we will seek to augment our organic growth with strategic acquisitions of other reinsurers and attractive books of business where it will be accretive to our core business strategy. Our management team is experienced in reviewing potential acquisition candidates and in executing successful acquisitions and integrations.

Competitive Strengths

We believe we have the following competitive strengths, which should position us to underwrite business profitably:

- *Access to Profitable Book of Business from AmTrust*. Pursuant to our quota share reinsurance agreement with a subsidiary of AmTrust, we reinsure 40% of all the insurance business (net of reinsurance with unaffiliated reinsurers) of the types that AmTrust currently writes. AmTrust generated a weighted average net loss ratio of 64.7% for the three years ended December 31, 2006.

- *Bermuda-Based Operations*. We expect that our Bermuda-based operations will allow us to access reinsurance clients who are increasingly seeking Bermuda-based capacity to meet their reinsurance needs, as well as to access Bermuda's well-developed network of reinsurance brokers. We believe that we will also benefit from Bermuda's pool of experienced professionals with significant reinsurance expertise and Bermuda's favorable regulatory environment that allows for the development and sale of innovative business solutions and cost-effective reinsurance products.

- *Strong Market Relationships*. We intend to market our reinsurance products principally through our management's industry contacts and through independent reinsurance intermediaries. We believe that our senior management team's significant prior operating experience and extensive industry relationships, including relationships with a number of reinsurance intermediaries, program underwriting agents and insurance companies, should allow us to establish our presence in the reinsurance markets.

- *New Insurance Company*. As a recently formed company, we are unencumbered by historical liability exposures currently affecting competitors, including claims relating to asbestos and environmental remediation and other mass torts.

- *Access to Professional Asset Management through AmTrust*. AmTrust's investment management team has a proven track record of managing its asset portfolio, which includes equities and fixed income securities. Our asset management agreement with AII Insurance Management Limited ("AIIM"), a subsidiary of AmTrust, enables us to benefit from this experience.

- *Experienced Management with Knowledge of Primary Insurance Companies and Products*. We have assembled a senior management team with extensive experience in underwriting specialty property and casualty business, including workers' compensation for small employers, workers' compensation, commercial automobile and commercial general liability programs for businesses in discrete industry segments and extended warranty and specialty risk business with low coverage limits and high volumes. Max G. Caviet, our President and Chief Executive Officer, has extensive relationships in the London and Bermuda reinsurance markets. Additionally, Barry D. Zyskind, our non-executive Chairman of the Board, who also serves as the President and Chief Executive Officer of AmTrust, has a proven track record of developing insurance, service and capital solutions for AmTrust and brings his industry experience to his role as our Chairman. See "Management."

Reinsurance Solutions

Reinsurance can be written either through treaty or facultative reinsurance arrangements. Treaty reinsurance is a contractual arrangement that provides for automatic reinsuring of a type or category of risk underwritten by the ceding company. In facultative reinsurance, the ceding company cedes, and the reinsurer assumes, all or part of a specific risk or risks. Facultative reinsurance provides protection to ceding companies for losses relating to individual insurance contracts issued to individual insureds. We intend to write most of our reinsurance business on a treaty basis.

Our treaty reinsurance contracts can be written on either a quota share basis, also known as proportional or pro rata, or on an excess of loss basis. Under quota share reinsurance, we will share the premiums as well as the losses and expenses in an agreed proportion with the cedent. Under excess of loss reinsurance, we will generally receive a specified premium for the risk assumed and indemnify the cedent against all or a specified portion of losses and expenses in excess of a specified dollar or percentage amount. In quota share and in certain types of excess of loss reinsurance contracts, we will typically provide a ceding commission to the client.

When we write treaty reinsurance contracts, we will not separately evaluate each of the individual risks assumed under the contracts and we will be largely dependent on the individual underwriting decisions made by the reinsured. Accordingly, we intend to carefully review and analyze the reinsured's risk management and underwriting practices in deciding whether to provide treaty reinsurance and in appropriately pricing the treaty.

Following our capitalization with our Founding Shareholders' initial investment and the net proceeds from the private offering, we entered into the quota share reinsurance agreement with AII. The quota share reinsurance agreement has a term of 3 years, subject to certain early termination provisions, and will extend for further terms of 3 years unless either party elects not to renew. It should secure for us a stable source of reinsurance premium revenue over the next 3 years from the workers' compensation, specialty property/casualty and extended warranty business conducted by AmTrust. In addition, AmTrust has advised us that we may have an opportunity to participate in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program, subject to the negotiation of mutually acceptable terms. As a result of the quota share reinsurance agreement, we will likely derive most of our gross premiums written from AmTrust's insurance companies in our initial years of operation. We also plan to primarily focus on reinsuring primary insurance companies in the United States and Europe that specialize in underwriting specialty property and casualty insurance products. We expect many of our opportunities to arise with small insurance companies. In addition, we expect to pursue such opportunities with insurance companies that write program business and that reinsure a substantial amount of their business as well as captive insurance companies established by managing general agents. We may also reinsure other reinsurers of U.S. and European specialty property and casualty insurance business.

We expect our reinsurance operations will offer the following reinsurance solutions:

Quota Share Reinsurance

In quota share reinsurance, the insurer cedes an agreed-upon fixed percentage of liabilities, premiums and losses for each policy covered on a pro rata basis. The reinsurer pays the ceding company a commission, called a ceding commission, on the premiums ceded.

Excess of Loss Reinsurance

Excess of loss reinsurance indemnifies the insured or the reinsured against all or a specified portion of losses on underlying insurance policies in excess of a specified amount, which is called a "retention." Excess of loss insurance or reinsurance is written in layers. A reinsurer or group of reinsurers accepts a band of coverage up to a specified amount. The total coverage purchased by the cedent is referred to as a "program" and will typically be placed with predetermined reinsurers in pre-negotiated layers. Any liability exceeding the outer limit of the program reverts to the ceding company, which also bears the credit risk of a reinsurer's insolvency. Loss experience under excess of loss reinsurance tends to be more volatile than under quota share reinsurance.

Product Lines

Because, currently, we derive substantially all of our business from our quota share agreement with AmTrust and we have expertise in underwriting the types of products offered by AmTrust, we are initially focusing on the lines of specialty property and casualty business offered by AmTrust. We plan to expand our line of business offerings, as well as the classes of business written for each line of business, as we develop reinsurance business opportunities.

Workers' Compensation

We will reinsure workers' compensation liabilities, which is a statutory coverage requirement for commercial businesses in the United States. Workers' compensation is required in almost every state to protect employees in case of injury on the job, and the employer from liability for an accident involving an employee. Workers' compensation insurance provides coverage for the statutory obligations of employers to pay medical care expenses and lost wages for employees who are injured in the course of their employment. We expect to primarily reinsure workers' compensation liabilities for small businesses.

As of May 31, 2007, AmTrust underwrites workers' compensation insurance in 39 states and the District of Columbia through a network of approximately 8,000 independent wholesale and retail agents. For the year ended December 31, 2006, five states accounted for approximately 68.3% of AmTrust's gross premiums written, with AmTrust's top state, Florida, accounting for 22.4%.

The average AmTrust policyholder has, on average, six employees and the average premium is less than $5,000 per policy. AmTrust does not insure employers that have more than 75 employees at any one location. The small business risks insured by AmTrust include:

- restaurants;
- retail stores;
- physicians' and other professionals' offices;
- building management-operations by owner or contractor;
- private schools;

- hotels;
- machine shops-light metal working;
- small grocery and specialty food stores;
- wholesale shops; and
- beauty shops.

We believe that AmTrust is able to successfully underwrite small policies because it has developed technology that enables it to underwrite each risk and provide effective loss control for a large number of small risks. Furthermore, we believe that, because of the relatively low premiums, the small business segment is less competitive than the general workers' compensation segment.

In 2006, AmTrust had gross premiums written of $258.9 million in its small business workers' compensation segment.

On September 10, 2007, AmTrust announced the closing of its acquisition of Associated Industries Insurance Services, Inc. ("AIIS"), a Florida-based workers' compensation managing general agency, and its wholly-owned subsidiary, Associated Industries Insurance Company, Inc. ("AIIC"), a Florida workers' compensation insurer also licensed in Alabama, Georgia and Mississippi. According to AmTrust's announcement, AIIS produced approximately $130 million in gross written premiums in 2006, of which approximately $58 million was written by AmTrust's subsidiary, TIC.

Specialty Middle Market Property and Casualty

We will provide reinsurance solutions for narrowly defined classes of business that are underwritten on an individual policy basis by program underwriting agents on behalf of insurance companies. AmTrust's specialty middle-market property and casualty segment consists of workers' compensation, general liability, and commercial auto liability for small and middle-market businesses through industry-specific programs managed by general and wholesale agents. The industries include:

- retail;
- wholesale;
- service operations;
- artisan contracting; and
- light and medium manufacturing.

Business in this segment is underwritten by the producing agents, who have expertise in the business being underwritten and have developed relationships with retail agents from whom they receive submissions. The producing agents generally share a portion of the risk. As of May 31, 2007, AmTrust is underwriting 22 programs through 16 agents. For the year ended December 31, 2006, workers' compensation constituted 35.6% of the business in this segment, commercial auto coverages constituted 22.6%, general liability constituted 22.3% and other business constituted 19.5%. The insureds in this segment generally are small and medium-sized businesses.

In 2006, AmTrust had approximately $134.3 million in gross premiums written in its specialty middle-market property and casualty segment.

Specialty Risk and Extended Warranty

We will reinsure specialty risk and extended warranty coverages, which provide coverage for accidental damage, mechanical breakdown and related risks for consumer and commercial goods in the European Union and the United States. In 2006, AmTrust wrote 54% of its extended warranty and specialty risk business in Europe, where as of December 31, 2006, it was underwriting approximately 80 separate coverage plans, and 46% in the United States.

AmTrust's extended and warranty business covers selected risks, including:

- personal computers;
- consumer electronics, such as televisions and home theater components;

- consumer appliances, such as refrigerators and washing machines;
- automobiles (no liability coverage);
- cellular telephones;
- heavy equipment;
- homeowner's latent defects warranty in Norway;
- hand tools; and
- credit payment protection in the European Union.

AmTrust generally insures manufactures, retailers, service contract providers and third-party administrators who sell extended warranties, service contracts or other contracts, such as credit payment protection contracts, incidental to the sale or lease of consumer and commercial goods. AmTrust generally issues policies which have a term of 12 months, which insure the insured's contractual liability under contracts issued during the policy term. The contracts have terms ranging from one month to 60 months. AmTrust generally has the right to increase premium rates during the term of the policy and, in Europe, the right to cancel prior to the end of the term.

In 2006, gross premiums written in AmTrust's extended warranty and specialty risk business totaled $132.8 million.

Markets and Marketing

According to A.M. Best, there are more than 800 property and casualty insurance companies in the U.S. with less than $100 million in surplus. We plan to expand our client base by offering our products primarily to small insurance companies in the United States and Europe, as well as program administrators and Lloyd's syndicates, that could benefit from the additional underwriting capacity provided by reinsurance to expand their operations. We plan to pursue reinsurance opportunities with insurance companies, like AmTrust, that specialize in workers' compensation for small businesses in low and medium hazard classes, commercial property and casualty program business for discrete industry segments which are underwritten by managing general agents with expertise and extended warranty and specialty risk programs which are characterized by low coverage limits and high volume. We believe we will be able to offer our prospective reinsureds expertise in underwriting and administering specialty property and casualty business. In cases where we will market our products to managing general agents and program administrators, we may need to identify a primary insurance carrier that would be willing to insure the relevant risks and reinsure them to us.

We expect to produce our third-party reinsurance business through internally driven sales and through reinsurance brokers worldwide, which will receive a brokerage commission generally equal to a percentage of gross premiums. Our Chief Executive Officer has extensive industry relationships with reinsurance intermediaries worldwide.

We plan to utilize reinsurance intermediaries to market our reinsurance business to small insurance companies. We believe these relationships will allow us to establish our presence in the reinsurance markets in the United States as well as provide flexibility in managing our policy acquisition costs.

Because our Chief Executive Officer has an established reputation in the London market as an extended warranty and specialty risk underwriter, we also expect to have opportunities to reinsure such risks in the London market.

Claims Management

The claims function provides claims adjustment and legal defense services for our reinsurance products, and the organization of our claims operations will be tailored to meet the requirements of our reinsurance. We will oversee the claims function, which will be provided primarily by the primary insurance companies to whom we provide reinsurance. Also, we may obtain claims adjustment and legal defense or claims audit services from other third-party claims administrators. In addition, we will maintain databases of the claims experience of each of our reinsurance arrangements, which will be utilized by our claims staff as well as our actuarial and other financial staff.

With respect to our reinsurance businesses, the primary insurance company, which is our client, will provide the primary claims adjustments, and we will monitor the overall results primarily for the purposes of analyzing underlying business trends and establishing our overall loss reserves, and we may also advise on individual large claims. Under our reinsurance agreements with the primary insurance company, we will require the primary insurance company to provide claims data to us promptly, including immediate notification of individual large claims, and we will have the right to inspect and audit its claims files. Prior to entering into any such agreements, we will conduct due diligence on the primary insurance company's claims operations to assess its ability to handle the claims anticipated under these agreements.

AmTrust internally administers the majority of its workers' compensation claims. AmTrust utilizes a proprietary system of internet-based tools and applications that enable its claims staff to concentrate on investigating submitted claims, to seek subrogation opportunities and to determine the compensability of each claim. This system allows the claims process to begin as soon as a claim is submitted.

AmTrust's small business workers' compensation adjusters have an average of 15 years of experience. Supervision of the adjusters is performed by its internal claims manager in each region. Increases in reserves over the authority of the claims adjuster must be approved by supervisors. Senior claims managers provide direct oversight on all claims with an incurred value of $50,000 or more.

In AmTrust's specialty risk and extended warranty segment, third-party administrators generally handle claims on policies and provide monthly loss reports. AmTrust reviews the monthly reports and if the losses are unexpectedly high, AmTrust generally has the right to adjust its pricing or cease underwriting new business under the coverage plan. AmTrust routinely audits the claims paid by the administrators. AmTrust generally settles specialty risk claims in-kind — by repair or replacement — rather than in cash. AmTrust seeks to reduce its loss exposure through volume fixed-fee repair or replacement agreements with third parties. AmTrust also utilizes experts to validate certain types of claims, such as claims made for coverage on heavy machinery.

In AmTrust's specialty middle-market property and casualty segment, third-party administrators generally handle claims and provide periodic loss reports. Approximately 18 such providers administered this business as of December 31, 2006. The loss experience of each coverage is closely monitored and claims paid by the administrators are audited on a periodic basis.

Prior to entering into a reinsurance agreement with a primary insurance company, we will conduct due diligence to ensure that the company shares our philosophy of expedient, fair and consistent claims handling with adequate control of loss adjustment expenses and has the capabilities to implement our philosophy. We will monitor on a continual basis the results of their claims adjustment and legal defense services. We expect that with respect to first party claims, where the policy holder is the claimant, the claims function would provide a prompt response to inspect the damage, ascertain the extent damages are covered under the insurance policy, assess whether the claim should be resolved by settlement or be denied or defended and make prompt payment to the insured as appropriate. With respect to third-party claims, where a person other than the insured is the claimant, we expect the claims function to thoroughly investigate the potential for liability as soon as the claim is reported and assess whether the claim should be resolved by settlement or be denied or defended.

We will establish case reserves for each claim based upon all of the facts available at the time to record our best estimate of the ultimate value of each claim. We will establish reserves on a case by case basis for the estimated costs of legally defending third-party claims, or allocated loss adjustment expense reserves. In addition, we will establish reserves to record on an overall basis the costs of adjusting claims that have occurred but not yet been settled, or unallocated loss adjustment expense reserves.

Because we expect that substantially all of our business in our first year will result from our quota share reinsurance agreement with AII, we do not plan to hire a full-time executive dedicated to claims during the first year. Our claims operations will be overseen by our senior executives. Our senior executives will work closely with our actuarial staff in reviewing the results of our reinsurance agreements.

Reserves

We are required to establish reserves for losses and loss expenses under applicable insurance laws and regulations and U.S. GAAP. These reserves are balance sheet liabilities representing estimates of future amounts required to pay losses and loss expenses for reinsured claims that have occurred at or before the balance sheet date, whether already known to us or not yet reported. Our policy will be to establish these losses and loss reserves prudently after considering all information known to us as of the date they are recorded.

Loss reserves fall into two categories: case reserves for reported losses and loss expenses associated with a specific reported insured claim, and reserves for incurred but not reported, or “IBNR,” losses and loss adjustment expenses. We will establish these two categories of loss reserves as follows:

- *Reserves for reported losses* - Following our analysis of a notice of claim received from a ceding company, we will establish a case reserve for the estimated amount of its ultimate settlement and its estimated loss adjustment expenses. Like other insurers, we will establish case reserves based upon the amount of claims reported and may subsequently supplement or reduce the reserves as our claims department deems necessary.

- *IBNR reserves* - We will also estimate and establish reserves for loss amounts incurred but not yet reported, including expected development of reported claims. These IBNR reserves will include estimated loss adjustment expenses. We will calculate IBNR reserves by using generally accepted actuarial techniques. We will utilize actuarial methodologies that rely on historical losses and loss adjustment expenses, statistical models, projection techniques as well as our pricing analyses. We will revise these reserves for losses and loss adjustment expenses as additional information becomes available and as claims are reported and paid.

Loss reserves represent our best estimate, at a given point in time, of the ultimate settlement and administration cost of claims incurred. We will use statistical and actuarial methods to estimate our ultimate expected losses and loss adjustment expenses. Since the process of estimating loss reserves requires significant judgment due to a number of variables, such as fluctuations in inflation, judicial trends, legislative changes and changes in claims handling procedures, our ultimate liability may exceed or be less than these estimates. Our actuaries will utilize several methodologies to project losses and corresponding reserves. Based upon these methods, our actuaries will determine a best estimate of the loss reserves.

Since our accounts are new, our actuaries will utilize available loss development statistics from the brokers and primary insurance companies with whom we do business as a basis for conducting these types of projections.

In addition, we analyze a significant amount of insurance industry information with respect to the pricing environment and loss settlement patterns. In combination with our individual pricing analyses, we use this industry information to guide our loss and loss expense estimates. We regularly review these estimates, and we reflect adjustments, if any, in earnings in the periods in which they are determined. We expect that we will, from time to time, engage independent external actuarial specialists to review specific pricing and reserving methods and results.

Because, initially, we derive substantially all of our business from our quota share reinsurance agreement with AII, our reserves are largely based on the reserves established by AmTrust. We believe that AmTrust utilizes appropriate reserving techniques to establish reserves in each of its business segments. In its small business workers’ compensation and specialty middle-market property and casualty segments, AmTrust establishes case reserves, IBNR reserves for loss and defense and containment cost expenses (“DCC expenses”) and an adjusting and other reserve (“AO reserve”). A case reserve is established for each reported claim at the time it is reported. It is based on the estimate of the most likely outcome of the claim at that time. The estimate covers anticipated medical costs, indemnity costs and DCC expenses.

The IBNR reserve is an aggregate reserve for losses and DCC expenses which have been incurred but have not yet been reported to the insurance company and development on case reserves. The IBNR reserves are developed through application of appropriate actuarial methods. AmTrust utilizes a combination of its historical cumulative incurred losses and industry data to establish loss development factors. AmTrust ultimately establishes its IBNR reserves by utilizing judgment and consideration of its consulting actuary’s application of AmTrust and industry loss development factors, and underwriting, claims handling and operational factors.

To establish AO reserves, AmTrust reviews past adjustment expenses in relation to past claims and estimates future costs based on expected claims activity and duration.

In AmTrust’s extended warranty and specialty risk segment, claims are usually paid quickly, and, generally, case reserves are not established. Because development on known claims is negligible and the reporting lag for claims in this segment is generally small, IBNR reserves are not significant relative to paid claims. However, there is generally more uncertainty in the unearned premium reserve, which, in this segment, is an estimate of AmTrust’s liability for future losses emanating from the unearned portion of premium for coverage of extended warranty contracts. The unearned premium reserve is calculated by analyzing each extended warranty coverage plan separately, subdivided by contract year, type of product and length of contract, ranging from one month to five years. The primary actuarial methodology used to project future losses for the unexpired terms of contracts is to project the future number of claims, then multiply them by the average claims cost.

Underwriting

We employ a disciplined approach to underwriting and risk management that relies heavily upon the collective underwriting expertise of our management and staff, as well as upon our underwriting process management approach. This expertise is guided by the following underwriting principles:

- We plan to accept only those risks that we believe will earn a level of profit commensurate with the risk they present;
- We intend to perform independent pricing or risk review of insurance risks;
- We will seek to accept only those risks which have demonstrated track records of profitable performance or else present limited downside potential; and
- We plan to consistently use peer review in our underwriting acceptance process.

We plan to have a small underwriting department consisting of one or two persons. We expect to delegate underwriting authority to the managers of our business segments, but only where we are convinced they are highly experienced in their particular lines of business. See “Management.”

Our underwriting process for all new programs, treaties or risk-sharing arrangements will consider the appropriateness of insuring the client by evaluating the quality of its management, its risk management strategy and its track record. In addition, we plan to require each program, treaty or risk-sharing arrangement to include significant information on the nature of the perils to be included and detailed aggregate information as to the location or locations of the risks covered. We plan to obtain available information on the client’s loss history for the perils being insured or reinsured, together with relevant underwriting considerations.

In addition, our underwriters plan to use a variety of means, including specific contract terms, to manage our exposure to loss. Our underwriters plan to also use appropriate contract exclusions, terms and conditions to further eliminate particular risks or exposures that they deem to be significant.

In conjunction with testing each proposed issuance against our underwriting criteria, we plan to evaluate the proposal in terms of its risk/reward profile to assess the adequacy of the proposed pricing and its potential impact on our overall return on capital as well as our corporate risk objectives. We plan to regularly review and revise our profitability guidelines to reflect changes in market conditions, interest rates, capital structure and market-expected returns.

We plan to hire an actuary as well as rely on outside consultants as necessary. The actuarial and underwriting estimates that we make in our underwriting and pricing analyses will be explicitly tracked by program and treaty on an ongoing basis through our underwriting audit and actuarial reserving processes. We will require significant amounts of data from our clients and intend only to accept business for which the data provided to us is sufficient for us to make an appropriate analysis. We may supplement the data provided to us by our clients with information from the Insurance Services Offices, the National Council on Compensation Insurance, the Reinsurance Association of America and other ratemaking associations.

We will control overall risk from natural catastrophes in the aggregate and exposures from any one client. To monitor the catastrophe and accumulation risk of our business, we will subscribe to and utilize natural catastrophe-modeling tools.

Ceded Reinsurance

Reinsurers may purchase reinsurance, which is referred to as retrocessional reinsurance, to cover their own risk exposure or to increase their capacity. We have considered whether or not to obtain retrocessional coverage with respect to the reinsurance we assume from AII and have decided not to obtain such coverage at this time because our reinsurance agreement with AII excludes any risk on which AmTrust’s net retention exceeds $5 million and because we intend to write most of our reinsurance business such that our gross exposure to any single claim is limited. In the future, we may purchase retrocessional reinsurance to manage our net exposures and to increase our capacity.

Retrocessional reinsurance will not relieve us of our obligations to our insureds. We must pay these obligations without the benefit of reinsurance to the extent our reinsurers do not pay us. We will evaluate and monitor the financial condition of our reinsurers and monitor concentrations of credit risk. We will also seek to purchase reinsurance from entities rated “A-” or better by A.M. Best, and we intend to regularly monitor its collectibility, making balance sheet provisions for amounts we consider potentially uncollectible and requesting collateral where necessary.

We will monitor and limit our exposure through a combination of aggregate limits, underwriting guidelines and reinsurance. We will also periodically reevaluate the probable maximum loss for the exposures by using third-parties' software and modeling techniques, and we will seek to limit the probable maximum loss to a pre-determined percentage of our total shareholders' equity.

AmTrust's Third-Party Reinsurance

Under our reinsurance agreement with AII, we reinsure 40% of the covered business written by AmTrust, net of any reinsurance maintained by AmTrust with unaffiliated reinsurers. Accordingly, Maiden Insurance receives 40% of AmTrust's premiums net of premiums ceded to unaffiliated reinsurers, and, in the case of IGI, net of commissions paid to producers, and is liable for 40% of losses and loss adjustment expenses net of any reinsurance recoverable (whether collectible or not) from unaffiliated reinsurers. The discussion below describes AmTrust's current reinsurance with unaffiliated reinsures. We are not able to control the types or amounts of reinsurance that AmTrust purchases from unaffiliated reinsurers. Any changes that AmTrust makes to such reinsurance may affect our profitability and our capacity to write additional business.

AmTrust's insurance subsidiaries cede portions of their insurance risk to limit their maximum loss as a result of a single occurrence. The cost and limits of the reinsurance coverage AmTrust purchases vary from year to year based upon the availability of quality reinsurance at an acceptable price and AmTrust's desired level of retention. Retention refers to the amount of risk that AmTrust retains for its own account. AmTrust has obtained excess of loss reinsurance for its small business workers' compensation coverage and the workers' compensation portion of its specialty middle-market property and casualty business segment. AmTrust has obtained variable quota share reinsurance for its European Union specialty risk and extended warranty insurance exposures. It has also obtained reinsurance to cover the property portion of the business in this segment, which AmTrust has not yet written. AmTrust does not plan to reinsure the general liability and auto liability portions of the business in this segment.

Third-Party Workers' Compensation Reinsurance

AmTrust purchases excess of loss reinsurance for its workers' compensation business, which includes workers' compensation that is attributable to both the small business workers' compensation segment as well as the specialty middle-market segment. AmTrust's excess of loss reinsurance is written in layers, in which the reinsurers accept a band of coverage up to a specified amount. In return for this coverage, AmTrust pays its reinsurers a percentage of its net or gross earned insurance premiums subject to certain minimum reinsurance premium requirements. Different layers in AmTrust's excess of loss reinsurance program are scheduled to renew at different times during the year. Currently, AmTrust's retention for workers' compensation claims other than those arising out of acts of terrorism is $1.0 million per occurrence.

The following description of AmTrust's third-party reinsurance protection covers the period through December 31, 2007. Some layers of this reinsurance include so-called "sunset clauses" which limit reinsurance coverage to claims reported within eight years or, in some cases, ten years, of the inception of a 12-month contract period and may also include commutation clauses which permit reinsurers to terminate their obligations by making a final payment to AmTrust based on an estimate of their remaining liabilities, which may ultimately prove to be inadequate. In addition to insuring employers for their statutory workers' compensation liabilities, AmTrust's workers' compensation policies provide insurance for the employers' tort liability (if any) for bodily injury or disease sustained by employees in the course of their employment. Certain layers of AmTrust's workers' compensation reinsurance exclude coverage for such employers' liability insurance or provide coverage for such insurance at lower limits than the applicable limits for workers' compensation insurance.

Until January 1, 2008, AmTrust retains the first $1.0 million per occurrence on workers' compensation claims other than those arising out of acts of terrorism. AmTrust cedes losses greater than $1.0 million for such claims. AmTrust's reinsurance for such claims totals $129.0 million, structured as a five layer tower. The first three layers of this reinsurance exclude coverage for AmTrust's participation in assigned risk pools.

- The first layer of this reinsurance provides $9.0 million of coverage per occurrence in excess of AmTrust's $1.0 million retention. It has an annual aggregate deductible of $1.25 million and reinsures losses in excess of $1.0 million up to $10.0 million. Pursuant to these deductible provisions, AmTrust must pay a total amount of $1.25 million in workers' compensation losses in excess of its $1.0 million retention before it is entitled to any reinsurance recovery.

- The second layer provides $10.0 million of coverage per occurrence in excess of $10.0 million. This layer reinsures losses in excess of $10.0 million up to $20.0 million. The reinsurance in this layer does not cover extra-contractual obligations and losses in excess of policy limits.

- The third layer provides $30.0 million of coverage per occurrence for claims in excess of $20.0 million. This layer provides coverage for losses in excess of $20.0 million up to $50.0 million. It has limits of $10.0 million per individual. This means that if an individual is involved in a compensable claim, the maximum coverage provided under this layer would not exceed $10.0 million for that individual. It has an aggregate limit of $60.0 million for the entire 12-month contract period.

- The fourth layer provides $30.0 million of coverage per occurrence for claims in excess of $50.0 million. It reinsures losses in excess of $50.0 million up to $80.0 million. It has limits of $10.0 million per individual and an aggregate limit of $60.0 million for the entire 12-month contract period.

- The fifth layer provides $50.0 million of coverage per occurrence for claims in excess of $80.0 million. It reinsures losses greater than $80.0 million up to $130.0 million. It has limits of $10.0 million per individual and an aggregate limit of $100.0 million for the entire 12-month contract period.

Certain layers of AmTrust's reinsurance provide coverage for losses caused by terrorism. For terrorism losses in excess of $20.0 million per occurrence, AmTrust has three layers of reinsurance, none of which provides coverage for nuclear, biological or chemical terrorism. This additional reinsurance is provided net of any recovery that AmTrust receives from the federal government pursuant to the Terrorism Risk Insurance Act of 2002 ("TRIA"), as modified by the Terrorism Risk Insurance Extension Act of 2005 ("TRIEA").

- The first layer of this additional reinsurance provides $30.0 million of coverage per occurrence for claims in excess of $20.0 million. It reinsures terrorism losses in excess of $20.0 million up to $50.0 million and has an aggregate limit of $30.0 million for the entire 12-month contract period.

- The second layer of this additional reinsurance provides $30.0 million of coverage per occurrence for claims in excess of $50.0 million. This layer provides coverage for losses in excess of $50.0 million up to $80.0 million and has an aggregate limit of $30.0 million for the entire 12-month contract period.

- The third layer of this additional reinsurance provides $50.0 million of coverage per occurrence for claims in excess of $80.0 million. It reinsures losses in excess of $80.0 million up to $130.0 million and has an aggregate limit of $50.0 million for the entire 12-month contract period.

TRIA, as extended and amended by TRIEA, requires that commercial property and casualty insurance companies offer coverage (with certain exceptions, such as with respect to commercial auto insurance) for certain acts of terrorism and has established a federal assistance program through the end of 2007 to help such insurers cover claims for terrorism-related losses. TRIA, as extended and amended by TRIEA, covers certified acts of terrorism, and the U.S. Secretary of the Treasury must declare the act to be a "certified act of terrorism" for it to be covered under this federal program. In addition, no certified act of terrorism will be covered by the TRIA program, as extended and amended by TRIEA, unless the aggregate insurance industry losses from the act exceed certain substantial threshold amounts ($100 million for acts of terrorism occurring in 2007). Under the TRIA program, as extended and amended by TRIEA, the federal government covers 85% of the losses from covered certified acts of terrorism on commercial risks in the United States only, in excess of a deductible amount. This deductible is calculated as a percentage of an affiliated insurance group's prior year premiums on commercial lines policies (with certain exceptions, such as commercial auto insurance policies) covering risks in the United States. This deductible amount is 20% of such premiums for losses occurring in 2007.

The Federal terrorism risk assistance provided by TRIA and TRIEA will expire at the end of 2007 and although legislation has recently been introduced in Congress to expand and extend such assistance, it is not currently clear whether or in what form that assistance will be renewed. Any renewal may be on substantially less favorable terms.

Third-Party Specialty Risk and Extended Warranty Reinsurance

Since January 1, 2003, AmTrust has had variable quota share reinsurance with Munich Reinsurance Company ("Munich Re") for AmTrust's specialty risk and extended warranty insurance. The scope of this reinsurance arrangement is broad enough to cover all of AmTrust's specialty risk and extended warranty insurance worldwide. However, AmTrust does not currently cede to Munich Re the majority of its U.S. specialty risks and extended warranty business, although it may cede more of this U.S. business to Munich Re in the future.

Under the variable quota share reinsurance arrangements with Munich Re, AmTrust may elect to cede from 15% to 50% of each covered risk, but Munich Re shall not reinsure more than £850,000 for each ceded risk which AmTrust at acceptance regards as one individual risk. This means that regardless of the amount of insured losses generated by any ceded risk, the maximum coverage for that ceded risk under this reinsurance arrangement is £850,000. For the majority of the business ceded under this reinsurance arrangement, AmTrust cedes 35% of the risk to Munich Re, but for some newer or larger risks, AmTrust cedes a larger share to Munich Re. This reinsurance is subject to a limit of £2.5 million per occurrence of certain natural perils such as windstorms, earthquakes, floods and storm surge. Coverage for losses arising out of acts of terrorism is excluded from the scope of this reinsurance.

Competition

The reinsurance industry is highly competitive. We compete with major U.S., Bermuda, European and other international reinsurers and certain underwriting syndicates. Many of these competitors have more, and in some cases substantially more, capital and greater marketing and management resources than we expect to have, and may offer a broader range of products and more competitive pricing than we expect to, or will be able to, offer. Because we have limited operating history, many of our competitors also have greater name and brand recognition than we have. In particular, we compete with various large and small reinsurers including large and multi-national reinsurers and Bermuda-based reinsurers.

Competition in the types of business that we underwrite is based on many factors, including:

- reputation;
- strength of client relationships;
- perceived financial strength;
- management’s experience in the line of reinsurance to be written;
- premiums charged and other terms and conditions offered;
- services provided, products offered and scope of business, both by size and geographic location;
- financial ratings assigned by independent rating agencies; and
- speed of claims payment.

Increased competition could result in fewer applications for coverage, lower premium rates and less favorable policy terms, which could adversely impact our growth and profitability. We are unable to predict the extent to which new, proposed or potential initiatives may affect the demand for our products or the risks that may be available for us to consider underwriting.

We plan to differentiate ourselves from other reinsurers primarily by leveraging the primary insurance company expertise of our senior management to provide reinsurance solutions that are designed to respond to the needs of small insurance companies, and to larger insurance companies seeking to effectively manage their capital and risk by accessing our capabilities. By positioning ourselves in this manner and providing our unique product offerings, we believe we can successfully differentiate ourselves from other reinsurers that we believe are focused primarily on providing broad-based reinsurance solutions.

Because, initially, we expect to derive substantially all of our business from our quota share reinsurance agreement with AII, we are subject to the impact of competition on AmTrust in its business segments. There is significant competition in the workers’ compensation insurance sector, which is based on many factors, including coverage availability, claims management, safety services, payment terms, premium rates, policy terms, types of insurance offered, overall financial strength, financial ratings assigned by independent rating organizations, such as A.M. Best, and reputation. Some of the insurers with which AmTrust competes have significantly greater financial, marketing and management resources and experience than AmTrust. AmTrust may also compete with new market entrants in the future. AmTrust’s competitors include other insurance companies, state insurance pools and self-insurance funds. More than 350 insurance companies participate in the workers’ compensation market. The insurance companies with which AmTrust competes vary by state and by the industries we target.

We believe that AmTrust has competitive advantages, which include its underwriting and claims management practices and systems and an A.M. Best rating of "A-" (Excellent). In addition, we believe that AmTrust's premium rates are competitively priced and typically are lower than those for policyholders assigned to the state insurance pools, making AmTrust a viable alternative for policyholders in those pools.

We believe that the specialty risk and extended warranty and specialty risk sector is not as developed as most other insurance sectors (including workers' compensation insurance). We believe that AmTrust is recognized for its expertise in this market. Nonetheless, AmTrust faces significant competition, including several internationally well-known insurers that have significantly greater financial, marketing and management resources. We believe that AmTrust has competitive advantages, which include the ability to provide technical assistance to warranty providers, experienced underwriting, resourceful claims management practices and good relations with many leading warranty administrators.

In its specialty middle-market and casualty segment, AmTrust faces competition from several large competitors which have significantly greater financial, marketing and management resources. AmTrust does not compete for high exposure or professional liability business and prefers to underwrite less volatile classes of business. The company does maintain the requisite A.M. Best rating and financial size to compete favorably for target business.

Investments

Our investment guidelines specify minimum criteria on the overall credit quality, liquidity and risk-return characteristics of our investment portfolio and include limitations on the size of particular holdings, as well as restrictions on investments in different asset classes. We entered into an asset management agreement with a subsidiary of AmTrust, who serves as our investment manager. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies —Investments," "Business —Relationships with AmTrust" and "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries." Our management monitors our overall investment returns, reviews compliance with our investment guidelines and reports overall investment results to our board of directors on a quarterly basis.

Our investment strategy seeks to preserve principal and maintain liquidity while trying to maximize investment return through a high quality, diversified portfolio. Investment decision making is guided mainly by the nature and timing of our expected liability payouts, management's forecast of our cash flows and the possibility that we will have unexpected cash demands, for example, to satisfy claims due to catastrophic losses. Our investment portfolio consists mainly of highly rated and liquid fixed income securities.

Our investment guidelines require compliance with applicable local regulations and laws. Without the approval of our board of directors, we will not purchase financial futures, forwards, options, swaps and other derivatives, except for purposes of hedging capital market risks or replication transactions, which are defined as a set of derivative and securities transactions that, when combined, produce the equivalent economic results of an investment that meets our minimum criteria. The majority of our investment holdings are denominated in U.S. dollars.

The first priority of our investment strategy is preservation of capital, with a secondary focus on maximizing an appropriate risk adjusted return. We expect to maintain sufficient liquidity from funds generated from operations to meet our anticipated insurance obligations and operating and capital expenditure needs. The excess funds will be invested in accordance with overall corporate investment guidelines. Our investment guidelines are designed to maximize investment returns through a prudent distribution of cash and cash equivalents, fixed maturities and equity positions. Cash and cash equivalents include cash on deposit, commercial paper, pooled short-term money market funds and certificates of deposit with an original maturity of 90 days or less. Our fixed maturity securities will include obligations of U.S. agencies, obligations of U.S. corporations, mortgage-backed securities guaranteed by the Federal Home Loan Corporation.

As of August 23, 2007, the Company held 42.6% of total invested assets in cash and cash equivalents. The process of investing the proceeds from our private offering is continuing and we expect to have redeployed most of the cash into longer term assets by the end of the third quarter of 2007. We may invest a portion of our assets in equity securities in an effort to enhance our overall return. The Company's investment portfolio is managed by AIIM.

Our investment portfolio, including cash and cash equivalents, had a carrying value of $530.9 million as of August 23, 2007, and is summarized in the table below by type of investment.

	Carrying Value ($ in thousands)	Percentage of Portfolio
Fixed income securities:		
Mortgage backed securities	$ 54,898	10.3%
U.S. Treasury securities	—	—
Obligations of U.S. government agencies	—	—
Corporate bonds	249,959	47.1
Time and short-term deposits	—	—
	$ 304,857	57.4%
Equity securities:		
Common stock	$ —	—
Nonredeemable preferred stock	—	—
Total equity securities	$ —	—
Total investments, excluding cash and cash equivalents	$ 304,977	57.4
Cash and cash equivalents	$ 225,880	42.6
	$ 530,857	100%

As of August 23, 2007, our fixed maturity portfolio had a carrying value of $304.9 million, which represented 57.4% of the carrying value of our investments, including cash and cash equivalents. The table below summarizes the credit quality of our fixed maturity securities as of August 23, 2007 as rated by Standard and Poor's.

S & P Rating	Percentage of Fixed Maturity Portfolio
Agency Mortgage Backed Securities	17.9
AA-	42.8
A+	13.0
A	3.4
A-	7.4
BBB+	9.0
BB+	6.5
Total	100%

The table below shows the composition of our fixed maturity securities by remaining time to maturity as of August 23, 2007.

Remaining Time to Maturity	Amount (in thousands)	Percentage of Fixed Maturity Portfolio
Less than one year	$ 19,788	6.5%
One to five years	52657	17.3
Five to ten years	177,833	58.3
Mortgage backed securities	54,698	17.9
Total	$ 304,977	100%

The table below summarizes the average current yield and duration by type of fixed maturity as of August 31, 2007.

Fixed Income Investment Type	Average Yield	Average Duration in Years
Corporate bonds	5.91%	5.53
Mortgage backed	6.07%	1.89

We plan to regularly evaluate our investment portfolio to identify other-than-temporary impairments in the fair values of the securities held in our investment portfolio. We will consider various factors in determining whether a decline in the fair value of a security is other-than-temporary, including:

- how long and by how much the fair value of the security has been below its cost;
- the financial condition and near-term prospects of the issuer of the security, including any specific events that may affect its operations or earnings;
- our intent and ability to keep the security for a sufficient time period for it to recover its value;
- any downgrades of the security by a rating agency; and
- any reduction or elimination of dividends, or nonpayment of scheduled interest payments.

Since our private offering in July 2007, there have been no other-than-temporary declines in the fair values of the securities held in our investment portfolio.

As of August 23, 2007, we did not hold any fixed maturity securities with unrealized losses in excess of 20% of the security's carrying value as of that date.

Ratings

Ratings by independent agencies are an important factor in establishing the competitive position of reinsurance companies and will be important to our ability to market and sell our products. Rating organizations continually review the financial positions of insurers. A.M. Best is one of the most important rating agencies for reinsurance companies. A.M. Best maintains a letter scale rating system ranging from "A++" (Superior) to "F" (In Liquidation). In evaluating a company's financial strength, A.M. Best reviews the company's profitability, leverage and liquidity, as well as its book of business, the adequacy and soundness of its reinsurance, the quality and estimated market value of its assets, the adequacy of its loss and loss expense reserves, the adequacy of its surplus, its capital structure, the experience and competence of its management and its market presence.

The objective of A.M. Best's ratings system is to provide an opinion of an insurer's or reinsurer's financial strength and ability to meet ongoing obligations to its policyholders. These ratings will reflect our ability to pay policyholder claims and are not applicable to the securities offered in this prospectus, nor are they a recommendation to buy, sell or hold our shares. These ratings are subject to periodic review by, and may be revised or revoked at the sole discretion of A.M. Best.

Maiden Insurance has received a financial strength rating of "A-" (Excellent) from A.M. Best, which is the fourth highest of fifteen rating levels.

The maintenance of the assigned rating depends upon Maiden Insurance operating substantially as our management has represented to A.M. Best. Maiden Insurance's rating will be subject to periodic review by, and may be revised downward or revoked at the sole discretion of, A.M. Best. A.M. Best formally evaluates its financial strength ratings of insurance companies at least once every twelve months and monitors the performance of rated companies throughout the year. If A.M. Best subsequently downgrades its rating, our competitive position would suffer, and our ability to market our products, to obtain customers and to compete in the reinsurance industry would be adversely affected. A subsequent downgrade, therefore, could result in a substantial loss of business as our insurance company clients may move to other reinsurers with higher claims paying and financial strength ratings.

Employees and Administration

Based upon our business strategy, we conduct our business with a relatively small staff of full-time employees.

We manage our reinsurance business and various corporate functions from Bermuda. Our Bermuda personnel consists of our President and Chief Executive Officer (who will not devote all of his time to our company initially) and our Chief Operating Officer and General Counsel. We are in the process of hiring a permanent Chief Financial Officer who is expected to join Maiden in the fourth quarter of 2007. We are in the process of hiring additional personnel to our corporate and reinsurance financial and actuarial staff in Bermuda. At the end of our first year of operations, we expect to have six to ten full-time employees in our Bermuda office performing these functions, and we expect that the number of employees in Bermuda will grow as necessary to support our operations.

Our Organization

Maiden Holdings was originally incorporated in May 2007 under Cayman Islands law. We have since changed our jurisdiction of organization to Bermuda by discontinuing from the Cayman Islands, continuing into Bermuda as a Bermuda exempted company and amalgamating with a new Bermuda company to form Maiden Holdings, Ltd. Our reinsurance subsidiary, Maiden Insurance was incorporated on June 29, 2007 and was licensed as a Class 3 Bermuda insurer on July 6, 2007. Maiden Insurance commenced writing business effective as of July 1, 2007.

Properties

We have executed two leases for facilities in Bermuda. Together these leases require monthly payments of $15,000. The initial term of the first lease expires on July 31, 2009 with an option to extend the term of the lease for an additional year at the then market rent. The initial term of the second lease expires on August 31, 2008, with no option to renew. We believe that these facilities are sufficient for our current purposes.

Legal Proceedings

We are not a party to any pending or threatened material litigation and are not currently aware of any pending or threatened material litigation. In the normal course of business, we may become involved in various claims and legal proceedings.

REGULATION

General

The business of insurance and reinsurance is regulated in most countries, although the degree and type of regulation varies significantly from one jurisdiction to another. Reinsurers are generally subject to less direct regulation than primary insurers. In Bermuda, we expect to operate under a relatively less intensive regulatory regime.

Regulation of Maiden Insurance

As a holding company, Maiden Holdings is not subject to the laws of Bermuda governing insurance companies. Maiden Insurance is registered in Bermuda under the Insurance Act as a Class 3 insurer and is subject to the Insurance Act.

The Insurance Act, which regulates the insurance business of Maiden Insurance, provides that no person shall carry on any insurance business in or from within Bermuda unless registered as an insurer under the Insurance Act by the BMA, which is responsible for the day-to-day supervision of insurers. Under the Insurance Act, insurance business includes reinsurance business. The BMA, in deciding whether to grant registration, has broad discretion to act as the BMA sees fit in the public interest. The BMA is required by the Insurance Act to determine whether the applicant is a fit and proper body to be engaged in the insurance business and, in particular, whether it has, or has available to it, adequate knowledge and expertise. In addition, the BMA is required by the Insurance Act to determine whether a person who proposes to control at least 10 percent, 20 percent, 33 percent or 50 percent (as applicable) of the voting powers of a Bermuda registered insurer or its parent company is a fit and proper person to exercise such degree of control; such determination must be made before control is acquired. The registration of an applicant as an insurer is subject to its complying with the terms of its registration and such other conditions as the BMA may impose from time to time.

An Insurance Advisory Committee appointed by the Bermuda Minister of Finance advises the BMA on matters connected with the discharge of the BMA's functions, while sub-committees thereof supervise and review the law and practice of insurance in Bermuda, including reviews of accounting and administrative procedures.

The Insurance Act imposes on Bermuda insurance companies solvency and liquidity standards and auditing and reporting requirements and grants to the BMA powers to supervise, investigate and intervene in the affairs of insurance companies. Certain significant aspects of the Bermuda insurance regulatory framework are set forth below.

Classification of Insurers

The Insurance Act distinguishes between insurers carrying on long-term business and insurers carrying on general business. There are four classifications of insurers carrying on general business with Class 4 insurers subject to the strictest regulation. Maiden Insurance is a Class 3 insurer, and it is regulated as such under the Insurance Act. We do not intend, at this time, to obtain a license for Maiden Insurance to carry on long-term business. Long-term business includes life insurance and disability insurance with terms in excess of five years. General business broadly includes all types of insurance that is not long-term business.

Cancellation of Insurer's Registration

An insurer's registration may be cancelled by the BMA on certain grounds specified in the Insurance Act, including failure of the insurer to comply with its obligations under the Insurance Act or if, in the opinion of the BMA, the insurer has not been carrying on business in accordance with sound insurance principles.

Principal Representative

An insurer is required to maintain a principal office in Bermuda and to appoint and maintain a principal representative in Bermuda. Maiden Insurance's principal representative is AIIM whose offices are located at 7 Reid Street, Hamilton HM 11, Bermuda. Without a reason acceptable to the BMA, an insurer may not terminate the appointment of its principal representative, and the principal representative may not cease to act as such, unless 30 days' notice in writing to the BMA is given of the intention to do so. We are in the process of changing our principal representative. It is the duty of the principal representative upon reaching the view that there is a likelihood of the insurer (for which the principal representative acts) becoming insolvent or that a reportable "event" has, to the principal representative's knowledge, occurred or is believed to have occurred, to immediately notify the BMA and to make a report in writing to the BMA within 14 days, setting out all of the particulars of the case that are available to the principal representative. Examples of such a reportable "event" include failure by the insurer to comply substantially with a condition imposed upon the insurer by the BMA relating to a solvency margin or a liquidity or other ratio. The written report submitted to the BMA must set out all the particulars of the case that are available to the principal representative.

Independent Approved Auditor

Every registered insurer must appoint an independent auditor (the "approved auditor") who will annually audit and report on the statutory financial statements and the statutory financial return of the insurer, both of which, in the case of Maiden Insurance, are required to be filed annually with the BMA. The independent auditor of Maiden Insurance must be approved by the BMA and may be the same person or firm which audits Maiden Insurance's financial statements and reports for presentation to its shareholders. Maiden Insurance's independent approved auditor is PricewaterhouseCoopers (Bermuda).

Statutory Financial Statements

An insurer must prepare annual statutory financial statements. The Insurance Act prescribes rules for the preparation and substance of such statutory financial statements (which include, in statutory form, a balance sheet, an income statement, a statement of capital and surplus and notes thereto). The insurer is required to give detailed information and analyses regarding premiums, claims, reinsurance and investments. The statutory financial statements are not prepared in accordance with U.S. GAAP and are distinct from the financial statements prepared for presentation to the insurer's shareholders under the Companies Act, which financial statements will be prepared in accordance with U.S. GAAP. Maiden Insurance, as a general business insurer, will be required to submit the annual statutory financial statements as part of the annual statutory financial return. The statutory financial statements and the statutory financial return do not form part of the public records maintained by the BMA.

Annual Statutory Financial Return

Maiden Insurance is required to file with the BMA statutory financial returns no later than four months after their financial year end (unless specifically extended). The statutory financial return for an insurer includes, among other matters, a report of the approved auditor on the statutory financial statements of such insurer, the solvency certificates, the declaration of statutory ratios, the statutory financial statements themselves and the opinion of the loss reserve specialist. The solvency certificates must be signed by the principal representative and at least two directors of the insurer who are required to certify, among other matters, whether the minimum solvency margin has been met and whether the insurer complied with the conditions attached to its certificate of registration. The approved auditor is required to state whether in his or her opinion it was reasonable for the directors to so certify. Where an insurer's accounts have been audited for any purpose other than compliance with the Insurance Act, a statement to that effect must be filed with the statutory financial return.

Loss Reserve Specialist

Maiden Insurance is required to submit an opinion of an approved loss reserve specialist with its annual statutory financial return in respect of its loss and loss adjustment expense provisions. The loss reserve specialist is a qualified casualty actuary, who is approved by the BMA. Mr. Ronald T. Kuehn of Huggins Actuarial Services, Inc. is the loss reserve specialist for Maiden Insurance.

Minimum Solvency Margin and Restrictions on Dividends and Distributions

Under the Insurance Act, the value of the general business assets of a Class 3 insurer must exceed the amount of its general business liabilities by an amount greater than the prescribed minimum solvency margin. Maiden Insurance is required, with respect to its general business, to maintain a minimum solvency margin equal to the greatest of:

(A) $1 million;

(B) 20% of net premiums written up to $6 million plus 15% of net premiums written over $6 million; and

(C) 15% of loss and other insurance reserves.

Maiden Insurance is prohibited from declaring or paying any dividends during any financial year if it is in breach of its minimum solvency margin or minimum liquidity ratio or if the declaration or payment of such dividends would cause it to fail to meet such margin or ratio. In addition, if it fails to meet its minimum solvency margin or minimum liquidity ratio on the last day of any financial year, Maiden Insurance may not, without the approval of the BMA, declare or pay any dividends during the next financial year.

Maiden Insurance may not, without the approval of the BMA, reduce by 15% or more its total statutory capital as set out in its previous year's financial statements.

Minimum Liquidity Ratio

The Insurance Act provides a minimum liquidity ratio for general business insurers. An insurer engaged in general business is required to maintain the value of its relevant assets at not less than 75% of the amount of its relevant liabilities. Relevant assets include cash and time deposits, quoted investments, unquoted bonds and debentures, first liens on real estate, investment income due and accrued, accounts and premiums receivable and reinsurance balances receivable. There are certain categories of assets which, unless specifically permitted by the BMA, do not automatically qualify as relevant assets, such as unquoted equity securities, investments in and advances to affiliates and real estate and collateral loans. The relevant liabilities are total general business insurance reserves and total other liabilities less deferred income tax and sundry liabilities (by interpretation, those not specifically defined).

Supervision, Investigation and Intervention

The BMA may appoint an inspector with extensive powers to investigate the affairs of an insurer if the BMA believes that an investigation is required in the interest of the insurer's policyholders or persons who may become policyholders. In order to verify or supplement information otherwise provided to the BMA, the BMA may direct an insurer to produce documents or information relating to matters connected with the insurer's business.

If it appears to the BMA that there is a risk of the insurer becoming insolvent, or that it is in breach of the Insurance Act or any conditions imposed upon its registration, the BMA may, among other things, direct the insurer (1) not to take on any new insurance business, (2) not to vary any insurance contract if the effect would be to increase the insurer's liabilities, (3) not to make certain investments, (4) to realize certain investments, (5) to maintain in, or transfer to the custody of, a specified bank certain assets, (6) not to declare or pay any dividends or other distributions or to restrict the making of such payments, (7) to limit its premium income and/or (8) to remove a controller or officer.

Disclosure of Information

In addition to powers under the Insurance Act to investigate the affairs of an insurer, the BMA may require certain information from an insurer (or certain other persons) to be produced to it. Further, the BMA has been given powers to assist other regulatory authorities, including foreign insurance regulatory authorities, with their investigations involving insurance and reinsurance companies in Bermuda but subject to restrictions. For example, the BMA must be satisfied that the assistance being requested is in connection with the discharge of regulatory responsibilities of the foreign regulatory authority. Further, the BMA must consider whether to cooperate is in the public interest. The grounds for disclosure are limited and the Insurance Act provides sanctions for breach of the statutory duty of confidentiality.

Notification by Shareholder Controller of New or Increased Control

No person may become a holder of at least 10%, 20%, 33%, or 50% of the Common Shares unless they have notified the BMA in writing of their intention to become such a holder and either the BMA has notified the person that they have no objection or 45 days have elapsed since the notice was given. A person that does not comply with this requirement will be guilty of an offence.

Objection to Existing Controlling Shareholder

For so long as Maiden Holdings has as a subsidiary an insurer registered under the Insurance Act, the BMA may at any time, by written notice, object to a person holding 10% or more of our common shares if it appears to the BMA that the person is not or is no longer fit and proper to be such a holder. In such a case, the BMA may require the shareholder to reduce its holding of our common shares and direct, among other things, that such shareholder's voting rights shall not be exercisable. A person who does not comply with such a notice or direction from the BMA will be guilty of an offence.

Certain Other Considerations

Although Maiden Holdings and Maiden Insurance are incorporated in Bermuda, Maiden Holdings and Maiden Insurance are each classified as a non-resident of Bermuda for exchange control purposes by the BMA. Pursuant to their non-resident status, Maiden Holdings and Maiden Insurance may engage in transactions in currencies other than Bermuda dollars and there are no restrictions on their ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of their common shares.

Maiden Holdings is required to obtain the permission of the BMA for the issue and transfer of all of its shares. We have received the consent of the BMA for the issue and subsequent transfer of our common shares up to the amount of our authorized capital from time to time to persons non-resident of Bermuda for exchange control purposes without the approval of the BMA. The foregoing permission is subject to the following conditions: (i) no individual will, as a result of the issue of our Equity Securities pursuant to our private offering, beneficially own 10% or more of our Equity Securities; and (ii) no individual who beneficially owned any of our Equity Securities immediately following the issue of our Equity Securities pursuant to our private offering will, as a result of a subsequent issue or transfer, beneficially own 10% or more of our Equity Securities; and (iii) no individual who did not beneficially own any Equity Securities of the Company immediately following the issue of our Equity Securities pursuant to our private offering will, as a result of a subsequent issue or transfer, beneficially own 5% or more of our Equity Securities. For this purpose, “Equity Securities” has the meaning given to that term in the Notice to the Public issued by the BMA on June 1, 2005 and includes our common shares.

Persons resident in Bermuda for Bermuda exchange control purposes may require the prior approval of the BMA in order to acquire any of our shares.

In the event subscribers (or transferees) do not satisfy the conditions of such consent, subscribers (and their transferees) may be required to provide information on ownership and financial condition to the BMA. We will not accept any subscriptions for shares or transfers of any shares unless and until the required approval of the BMA has been received.

Under Bermuda law, exempted companies are companies formed for the purpose of conducting business outside Bermuda from a principal place of business in Bermuda. As “exempted” companies, Maiden Holdings and Maiden Insurance may not, without the express authorization of the Bermuda legislature or under a license or consent granted by the Minister of Finance, participate in certain transactions, including: (i) the acquisition or holding of land in Bermuda (except that required for their business and held by way of lease or tenancy for terms of not more than 50 years) without the express authorization of the Bermuda legislature, (ii) the taking of mortgages on land in Bermuda to secure an amount in excess of $50,000 without the consent of the Minister of Finance, (iii) the acquisition of any bonds or debentures secured by any land in Bermuda, other than certain types of Bermuda government securities or (iv) the carrying on of business of any kind in Bermuda, except in furtherance of their business carried on outside Bermuda or under license granted by the Minister of Finance. While an insurer is permitted to reinsure risks undertaken by any company incorporated in Bermuda and permitted to engage in the insurance and reinsurance business, generally it is not permitted without a special license granted by the Minister of Finance to insure Bermuda domestic risks or risks of persons of, in or based in Bermuda.

Maiden Holdings and Maiden Insurance also need to comply with the provisions of the Companies Act regulating the payment of dividends and making distributions from contributed surplus. The Companies Act provides that a company shall not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the company’s assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Under Bermuda law and our bye-laws, we may indemnify our directors, officers or any other person appointed to a committee of our board of directors (and their respective heirs, executors or administrators) to the full extent permitted by law against all actions, costs, charges, liabilities, loss, damage or expense incurred or suffered by such person by reason of any act done, concurred in or omitted in the conduct of our business or in the discharge of his/her duties; provided that such indemnification shall not extend to any matter involving any fraud or dishonesty (as determined in a final judgment or decree not subject to appeal) on the part of such director, officer or other person.

Under Bermuda law, non-Bermudians (other than spouses of Bermudians) may not engage in any gainful occupation in Bermuda without an appropriate governmental work permit. Maiden Insurance's success may depend in part upon the continued services of key employees in Bermuda. A work permit may be granted or renewed upon showing that, after proper public advertisement, no Bermudian (or spouse of a Bermudian or a holder of a permanent resident's certificate or holder of a working resident's certificate) is available who meets the minimum standards reasonably required by the employer. The Bermuda government's policy places a six-year term limit on individuals with work permits, subject to certain exemptions for key employees. A work permit is issued with an expiry date (up to five years) and no assurances can be given that any work permit will be issued or, if issued, renewed upon the expiration of the relevant term. If work permits are not obtained, or are not renewed, for Maiden Insurance's principal employees, Maiden Insurance would lose their services, which could materially affect Maiden Insurance's business.

Members of the general public have the right to inspect public documents at the office of the Registrar of Companies in Bermuda. This includes Maiden Holdings' memorandum of association (including its objects and powers), any alteration to it and any documents relating to an increase or reduction of authorized capital. Maiden Holdings' shareholders have the additional right to inspect its bye-laws, minutes of general meetings and audited financial statements, which must be presented to the general meeting of shareholders. The register of Maiden Holdings' shareholders is also open to inspection by shareholders and members of the public without charge. Maiden Holdings is required to maintain a share register in Bermuda but may establish a branch register outside Bermuda. Maiden Holdings is required to keep at its registered office a register of its directors and officers, which is open for inspection by members of the public without charge. However, Bermuda law does not provide a general right for shareholders to inspect or obtain copies of any other corporate records.

United States Regulation

Credit for Reinsurance

U.S.-licensed insurers that act as reinsurers (by assuming insurance risk) are generally subject to insurance regulation and supervision in their domiciliary jurisdiction that is similar to the regulation of U.S. licensed insurers that act as licensed primary insurers. However, the terms and conditions of reinsurance agreements generally are not subject to regulation by any governmental authority with respect to rates or policy terms. This contrasts with primary insurance policies and agreements, the rates and terms of which generally are regulated by state insurance regulators. As a practical matter, however, the rates charged by primary insurers do have an effect on the rates that can be charged by reinsurers.

A primary insurer ordinarily will enter into a reinsurance agreement only if it can obtain credit for the reinsurance ceded on its statutory financial statements. In general, credit for reinsurance is allowed in the following circumstances:

- if the reinsurer is licensed in the state in which the primary insurer is domiciled or, in some instances, in certain states in which the primary insurer is licensed;

- if the reinsurer is an "accredited" or otherwise approved reinsurer in the state in which the primary insurer is domiciled or, in some instances, in certain states in which the primary insurer is licensed;

- in some instances, if the reinsurer (a) is domiciled in a state that is deemed to have substantially similar credit for reinsurance standards as the state in which the primary insurer is domiciled and (b) meets financial requirements; or

- if none of the above apply, to the extent that the reinsurance obligations of the reinsurer are secured appropriately, typically through the posting of a letter of credit for the benefit of the primary insurer or the deposit of assets into a trust fund established for the benefit of the primary insurer.

As a result of the requirements relating to the provision of credit for reinsurance, Maiden Insurance will be indirectly subject to some regulatory requirements imposed by jurisdictions in which ceding companies are licensed. Because we anticipate that Maiden Insurance will not be licensed, accredited or otherwise approved by or domiciled in any state in the United States, primary insurers may only be willing to cede business to Maiden Insurance if we provide adequate security to allow the primary insurer to take credit on its balance sheet for the reinsurance it purchases. We will only be able to provide adequate security, typically through the posting of a letter of credit or deposit of assets into a trust fund for the benefit of the primary insurer, if we have in place a letter of credit facility or are otherwise able to provide necessary security. We do not yet have a letter of credit facility or any commitment from a lender to provide that facility. We cannot assure you that we will be able to obtain a credit facility on terms acceptable to us. Also, if we fail to put in place a Regulation 114 trust, and are unable to otherwise provide the necessary security, insurance companies may be less willing to purchase our reinsurance products than if we had established such a trust. If this is the case, there may be a material adverse effect on our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Reinsurance Security Trust Accounts and Other Collateral." With respect to the reinsurance we assume from AmTrust's U.S. insurance company subsidiaries through AII, please see "Certain Relationships and Related Transactions — Our Arrangements with AmTrust and its Subsidiaries — Quota Share Reinsurance Agreement and Master Agreement— Loans and Other Collateral."

Operations of Maiden Insurance

Maiden Insurance will not be licensed or otherwise authorized by any state of the U.S. to transact insurance. The insurance laws of each state of the United States and of many other countries regulate or prohibit the sale of insurance and reinsurance within their jurisdictions by insurers and reinsurers that are not authorized to transact insurance within such jurisdictions. We do not intend to allow Maiden Insurance to transact insurance through an office in the U.S. We also do not intend to allow Maiden Insurance to solicit, advertise, settle claims or conduct other insurance activities in any jurisdiction without a license, unless it can do so pursuant to a relevant exemption provided under such jurisdiction's laws governing the transaction of insurance, such as surplus lines insurance placements made in accordance with state surplus lines insurance laws. We intend to operate Maiden Insurance in compliance with the U.S. state and federal laws; however, it is possible that, in the future, a U.S. regulatory agency may raise inquiries or challenges to Maiden Insurance's reinsurance activities.

MANAGEMENT

Directors and Officers of Maiden Holdings

Our board of directors currently consists of five directors and has one vacancy. Our directors each serve for a term expiring at the 2008 annual general shareholders' meeting. The following table sets forth certain information regarding our executive officers and directors:

Name	Age	Title
Barry D. Zyskind	36	Chairman of the Board
Max G. Caviet	54	President, Chief Executive Officer and Director
Ronald E. Pipoly, Jr.	41	Interim Chief Financial Officer
Ben Turin	42	Chief Operating Officer, General Counsel and Assistant Secretary
Raymond M. Neff	66	Vice Chairman of the Board
Simcha Lyons	60	Director
Steven H. Nigro	47	Director

Barry D. Zyskind *— Chairman of the Board of Directors* - Mr. Zyskind has served as non-executive Chairman of our board of directors since June 2007. For the last five years, Mr. Zyskind also has served as the President and Chief Executive Officer of AmTrust and as a director of AmTrust's wholly owned subsidiaries, TIC, RIC, WIC, AII and AIU and, since September 7, 2007, AIIC. Mr. Zyskind also serves as a director of American Stock Transfer & Trust Company. Prior to joining AmTrust, Mr. Zyskind was an investment banker at Janney Montgomery Scott, LLC in New York. Mr. Zyskind received an M.B.A. from New York University's Stern School of Business in 1997.

Max G. Caviet *— President and Chief Executive Officer* - Mr. Caviet has served as our President and Chief Executive Officer since July 2007. Mr. Caviet has served as the President and a director of AII and AIU since 2003. From 1994 to 2003, Mr. Caviet was Engineering and Extended Warranty Underwriter with Trenwick International Limited, a reinsurance company. In 1990, Mr. Caviet joined Crowe Underwriting Agency Ltd. as its Engineering and Extended Warranty Underwriter. In 1982, Mr. Caviet joined CIGNA Insurance Company of North America (UK) Ltd. as a Senior Underwriter for Special Risks and was promoted to Engineering and Underwriting Manager. Between 1972 and 1982, Mr. Caviet was an underwriter and team leader, specializing in engineering risks, at British Engine Insurance Company.

Ronald E. Pipoly, Jr. *— Interim Chief Financial Officer* - Mr. Pipoly has served as our Interim Chief Financial Officer since July 2007. In addition, Mr. Pipoly also has served as the Chief Financial Officer of AmTrust since 2001. From 1993 to 2001, Mr. Pipoly served as Financial Analyst, Assistant Controller, and finally Controller at PRS Group, Inc. (a property and casualty insurance holding company) in Beachwood, Ohio. Mr. Pipoly began his career at Coopers and Lybrand, where he worked from 1988 through 1993. He received a B.S. in Accounting from the University of Akron in 1988.

Ben Turin *— Chief Operating Officer, General Counsel and Assistant Secretary* - Mr. Turin has served as our Chief Operating Officer, General Counsel and Assistant Secretary since July 2007. Prior to joining Maiden, Mr. Turin served as the General Counsel - US Operations of AmTrust from March 2007 through June 2007. From 2006 to 2007 he served as Vice President, General Counsel and Secretary of Econnergy Energy Company, Inc. (a retail marketer of natural gas and electricity). From 2000 to 2006, Mr. Turin was engaged in the private practice of law with the law firms of Windels, Marx, Lane & Mittendorf LLP (2005-2006); Ellenoff Grossman & Schole LLP (2003-2005) and Vinson & Elkins LLP (2000-2002). Mr. Turin received his J.D. from the University of Houston Law Center in 2000.

Raymond M. Neff *— Vice Chairman of the Board of Directors* - Mr. Neff has been a member of our board of directors since June 2007. Since 1999, Mr. Neff has served as President of Neff & Associates Insurance Consulting, Inc. and Insurance Home Office Services, LLC. He is also Chairman of the Board of the Florida Workers' Compensation Joint Underwriting Association and a member of the Florida Joint Underwriting Association Board. He previously worked at FCCI Insurance Group (a property and casualty insurance company) as President and CEO from 1986 to 1998 and as Executive Vice President and Chief Operating Officer from 1985 to 1986. From 1979 to 1986, Mr. Neff held various positions at the Department of Labor and Employment Security and the Department of Insurance for the State of Florida. From 1965 to 1979, he worked at W.W. Stribling Associates (1978-1979) (an insurance consulting group); Kenny Corporation (1973-1978) (a multi-line insurance agency); Foremost Life Insurance Company (1969-1973); and the Department of Insurance for the State of Michigan (1965-1969). Mr. Neff received his Masters of Arts, Actuarial Science, from the University of Michigan in 1965.

Simcha Lyons *— Director* - Mr. Lyons has been a member of our board of directors since June 2007. Since 2005, Mr. Lyons has served as a senior advisor to the Ashcroft Group, LLC of Washington, D.C., a strategic consulting firm founded by the former Attorney General of the United States, John Ashcroft. He has also served, since 2003, as chairman of Lyons Global Advisors LTD, a political consulting firm. Prior to 2002, Mr. Lyons was Vice-Chairman of Raskas Foods of St. Louis, Missouri, a family owned business that manufactured cream cheese, sour cream, and blue cheese products for the supermarket industry, the food service industry, and the food processing industry.

Steven H. Nigro *— Director* - Mr. Nigro has been a member of our board of directors since July 2007. Mr. Nigro has over 25 years of experience in financial services and specializes in corporate and structured finance in the insurance industry. In 2005, he co-founded Pfife Hudson Group, an investment bank specializing in corporate finance, structured finance and asset management with a specialty in the insurance industry. From 2002 to 2005, Mr. Nigro was a managing director at Rhodes Financial Group, LLC and from 1998 to 2002, he was a managing director at Hales & Company, both financial advisory firms catering exclusively to the insurance industry. From 1994 to 1997, he was Chief Financial Officer and Treasurer of Tower Group, Inc., an insurance holding company, where he was responsible for financial and regulatory management, strategic planning and corporate finance. Mr. Nigro has also served as a managing director at Cantor Fitzgerald Securities Corp., a securities broker-dealer specializing in derivatives, and OTA Limited Partnership, a merchant banker specializing in the financial services industry, where he was involved in the acquisitions and financial management of the firm's broker-dealer, savings and loan and insurance companies. Mr. Nigro is also a Certified Public Accountant in New York.

Michael Karfunkel and George Karfunkel, two of our Founding Shareholders, have non-voting observer rights with respect to the board of directors and board committees.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each comprised entirely of independent directors within the meaning of the rules of the NASDAQ Global Market and the New York Stock Exchange. In addition, our board of directors has established an executive committee.

Executive Committee

The executive committee assists our board of directors in providing guidance on our overall strategy, business development and corporate oversight. The executive committee, to the extent it deems advisable and appropriate, will, among its other responsibilities, recommend positions for us on significant, relevant public policy issues. In addition, the executive committee exercises the power and authority of our board of directors between board meetings, except that the executive committee cannot authorize actions with respect to the following:

- any issuance of equity securities by us;
- adoption, amendment or repeal of our bye-laws;
- a merger, amalgamation or acquisition between us and another company;
- a sale of all or substantially all of our assets;
- our liquidation or dissolution;
- any action that, pursuant to resolution of the board of directors, applicable law or the rule of any securities exchange or automated inter-dealer quotation system on which any of our securities are traded, is reserved to any other committee of the board of directors;
- any action or matter expressly required by any provision of our bye-laws or our memorandum of association or the laws of the Bermuda to be submitted to shareholders for approval; or
- any action that is in contravention of specific directions given by the full board of directors.

Mr. Caviet is the chairman of our executive committee and the other member of our executive committee is Mr. Zyskind.

Audit Committee

The audit committee assists our board of directors in monitoring the integrity of our financial statements, the independent auditor's qualifications and independence, performance of our independent auditors and our compliance with legal and regulatory requirements. The audit committee's responsibilities also include appointing (subject to shareholder ratification), reviewing, determining funding for and overseeing our independent auditors and their services. Further, the audit committee, to the extent it deems necessary or appropriate, among its several other responsibilities, shall:

- review and approve all related party transactions, including those with AmTrust and our Founding Shareholders, as well as any subsequent modifications thereto, for actual or potential conflict of interest situations on an ongoing basis;
- review and discuss with appropriate members of our management and the independent auditors our audited financial statements, related accounting and auditing principles, practices and disclosures;
- review and discuss our audited annual and unaudited quarterly financial statements prior to the filing of such statements;
- establish procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding our financial statements or accounting policies;
- review reports from the independent auditors on all critical accounting policies and practices to be used for our financial statements and discuss with the independent auditor the critical accounting policies and practices used in the financial statements;
- obtain reports from our management and internal auditors that we, our subsidiary and affiliated entities are in compliance with the applicable legal requirements and our Code of Business Conduct and Ethics, and advise our board of directors about these matters; and
- monitor the adequacy of our operating and internal controls as reported by management and the independent or internal auditors.

Mr. Neff is the chairman of our audit committee and the other members of our audit committee are Messrs. Lyons and Nigro.

Compensation Committee

The compensation committee's responsibilities include, among other responsibilities:

- reviewing and approving corporate and individual goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers;
- evaluating the performance of our Chief Executive Officer and other executive officers in light of such corporate and individual goals and objectives and, based on that evaluation, together with the other independent directors if directed by the board of directors, determining the base salary and bonus of the Chief Executive Officer and other executive officers and reviewing the same on an ongoing basis;
- reviewing all related party transactions involving compensatory matters, including those with AmTrust and our Founding Shareholders;
- establishing and administering equity-based compensation under the 2007 Share Incentive Plan and any other incentive plans and approving all grants made pursuant to such plans; and
- making recommendations to our board of directors regarding non-employee director compensation and any equity-based compensation plans.

Mr. Nigro is the chairman of our compensation committee and the other member of our compensation committee is Mr. Neff.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee's responsibilities with respect to assisting our board of directors include, among other responsibilities:

- establishing the criteria for membership on our board of directors;
- reviewing periodically the structure, size and composition of our board of directors and making recommendations to the board as to any necessary adjustments;
- identifying individuals qualified to become directors for recommendation to our board of directors;
- identifying and recommending for appointment to our board of directors, directors qualified to fill vacancies on any committee of our board of directors;
- having sole authority to select, retain and terminate any consultant or search firm to identify director candidates and having sole authority to approve the consultant or search firm's fees and other retention terms;
- considering matters of corporate governance, developing and recommending to the board a set of corporate governance principles and our code of business conduct and ethics, as well as recommending to the board any modifications thereto;
- considering questions of actual or possible conflicts of interest, including related prior transactions, of members of our board of directors and of senior executives of our Company;
- developing and recommending to our board of directors for its approval an annual board and committee self-evaluation process to determine the effectiveness of their functioning; and
- exercising oversight of the evaluation of the board, its committees and management.

Mr. Lyons is the chairman of our nominating and corporate governance committee and the other member is Mr. Nigro.

Corporate Governance Guidelines and Code of Business Conduct and Ethics

We have adopted corporate governance guidelines and a code of business conduct and ethics that apply to all of our directors, officers and employees. These documents will be made available in print, free of charge, to any shareholder requesting a copy in writing from our company secretary at our office located at 7 Reid Street, Hamilton HM 11, Bermuda. A copy of our code of business conduct and ethics also will be available in the near future on our website at www.maiden.bm.

Compensation Disclosure and Analysis

The material elements of our compensation philosophy, strategy and plans as of the date of this prospectus are discussed below.

Overview

At this initial stage of our development, the objectives of our executive compensation policy will be to retain those executives whom we believe will be essential to our growth, to attract other talented and dedicated executives and to motivate each of our executives to develop our overall profitability. To achieve these goals, we intend to offer each executive an overall compensation package that is simple, but competitive and a substantial portion of which will be tied to the achievement of specific performance objectives. Our overall strategy is to compensate our named executive officers with a simple mix of cash compensation, in the form of base salary and bonus, and equity compensation, in the form of share options and restricted share awards.

We have not to date retained a compensation consultant. Compensation decisions, including those relating to the employment agreements to be offered to certain of our named executive officers, will be made by our board of directors upon the recommendation of the compensation committee. Mr. Caviet will be involved in making recommendations to the board of directors regarding the compensation arrangements for other executives.

Prior to the completion of the private offering, Mr. Caviet, our Chief Executive Officer, Mr. Pipoly, our interim Chief Financial Officer and Mr. Turin, our Chief Operating Officer, General Counsel and Assistant Secretary, were employed by AmTrust and each of them other than Mr. Turin continues to be employed by AmTrust. In the case of Mr. Caviet, his employment with AmTrust will continue for a transition period. Mr. Caviet has entered into a provisional employment agreement with us for the term of the transition period, as described in more detail below, under which he will gradually transition his responsibilities to his replacement at AmTrust while simultaneously increasing his involvement with us. Mr. Turin has entered into a provisional employment agreement with us for the term of the transition period, as described in more detail below. Additionally, we are currently negotiating and expect to enter into definitive long-term employment agreements with Messrs. Caviet and Turin.

During the transition period we will also reimburse AmTrust for a proportionate share (based on the amount of time he devotes to our company) of Mr. Pipoly's current base salary, which is $300,000. We are in the process of hiring a permanent Chief Financial Officer who is expected to join Maiden in the fourth quarter of 2007.

Executive Compensation

Our executive compensation policy includes the following elements:

Base Salary. The base salaries we provide to our named executive officers are designed to provide an annual salary at a level consistent with individual experience, skills and contributions to our business. The salaries of the named executive officers will be reviewed on an annual basis.

Bonus. We believe that bonuses should be dependent on, and strictly tied to, the Company's performance and should only be paid in the event of superior performance. Our bonus policy awards each named executive officer for his individual contribution to our profits for the fiscal year. The definitive employment agreements for each of our named executive officers will specify annual bonus targets for each executive. The board of directors, acting without participation by the affected executives, will approve bonus payments for the named executive officers. The board of directors will approve bonus payments for Mr. Caviet and Mr. Turin with respect to 2007, based on each executive's personal contribution to the Company's profits during the fiscal year, which will not be less than 20% of the respective salaries we pay them. These bonuses will be paid after the close of the calendar year.

Long-Term Incentive Program. We believe that the use of common shares and share-based awards offers the best approach to achieving our compensation goals as equity ownership ties a considerable portion of a named executive officer's compensation to the performance of our common shares. We have not adopted share ownership guidelines for our named executive officers. We have adopted a share incentive plan, as described below, which provides the principal method for our named executive officers to acquire equity interests in the Company.

2007 Share Incentive Plan. Our board of directors and shareholders have adopted the 2007 Share Incentive Plan. The Plan is intended to award our employees and named executive officers with proprietary interests in the Company and to provide an additional incentive to promote our success and to remain in our service. The 2007 Share Incentive Plan authorizes us to grant incentive share options, non-qualified share options and restricted share awards to our employees, officers, directors and consultants. Our compensation committee oversees the administration of the Plan. 2,800,000 or our common shares are reserved for issuance under the 2007 Share Incentive Plan, of which no more than 700,000 may be used for restricted share awards. We granted options to purchase 461,000 shares in the aggregate to our senior executives and non-employee directors on the date of the closing of the private offering.

Share Options. Upon the closing of the private offering, we awarded 300,000 options to Mr. Caviet, 50,000 options to Mr. Pipoly, and 75,000 options to Mr. Turin at an exercise price of $10.00 per share. The options were granted under the 2007 Share Incentive Plan and will vest under the schedule described below. To the extent permitted by law, the share options are incentive stock options within the meaning of section 422 of the Code. Share options were granted at an exercise price equal to the fair market value of our common shares on the date of grant as determined by our board of directors based on the share price of our private offering. We expect that future grants will have an exercise price equal to the fair market value of our common shares on the date of grant. For determining the expense to record on our books of record, we used the Black-Scholes method consistent with FAS 123R accepted methodology, and we expect the same will apply to future grants. Inputs into the calculation revolving around volatility were computed using statistics for other similar size public companies. Under the 2007 Share Incentive Plan, unless otherwise determined by the compensation committee and provided in an award agreement, 25% of the options will become exercisable on the first anniversary of the grant date, with an additional 6.25% of the options vesting each quarter thereafter based on the executive's continued employment over a four-year period, and will expire ten years (five years in the case of options intended to qualify as incentive stock options that are issued to any person who owns shares representing more than 10% of the total combined voting power of all classes of our shares) after the date of grant.

Restricted Shares. Our board of directors may in the future elect to make grants of restricted shares to our named executive officers. Under the 2007 Share Incentive Plan, unless otherwise determined by the compensation committee and provided in an award agreement, 25% of the restricted share award will become exercisable on the first anniversary of the grant date, with an additional 6.25% of the restricted share award vesting each quarter thereafter based on the executive's continued employment over a four-year period.

Retirement Plan. We do not provide either a qualified or non-qualified pension plan for our named executive officers. However, it is intended that all of our employees will be eligible to participate in pension plans which will be established on their behalf.

Change in Control and Severance Arrangements. The provisional employment agreements for each of our named executive officers do not contain change in control provisions, nor do we intend to include such provisions in the definitive employment agreements for our named executive officers. We do not maintain change in control agreements with any of our named executive officers. We do not provide any other severance benefits, other than as may be provided in an executive's employment agreement.

Perquisites and Other Benefits. As a general matter, we plan to limit the use of perquisites in compensating our senior management. We maintain health and welfare programs to provide life, health and disability benefits to our employees. Our named executive officers participate in these plans on the same terms as other employees. Under the terms of the provisional employment agreements, we reimburse Messrs. Caviet and Turin for reasonable travel and out-of-pocket expenses that they incur in the performance of their functions, duties and responsibilities.

Employment Agreements

Below is a summary of the employment agreements we have entered into with certain of our named executive officers.

Max G. Caviet

We have entered into a provisional employment agreement with Mr. Caviet under which he has agreed to serve as our President and Chief Executive Officer. The term of the employment agreement will end upon the expiration of the transition period (which will not extend beyond December 31, 2007) unless terminated earlier pursuant to the terms of the employment agreement. Mr. Caviet continues to work for AmTrust during the transition period and receives cash compensation from AmTrust during such period, but is gradually transitioning his responsibilities to others at AmTrust while simultaneously increasing his involvement with us, and the Company is reimbursing AmTrust for the proportionate amount of time that Mr. Caviet devotes to the Company during the transition period. Mr. Caviet's cash compensation is based on his current annual salary of £250,000. We are currently negotiating and expect to enter into a definitive long-term employment agreement with Mr. Caviet. If we do not sign a definitive long-term employment agreement with Mr. Caviet before the end of the transition period, he will not continue as an employee of our Company after December 31, 2007.

Mr. Caviet was awarded 300,000 options pursuant to the 2007 Share Incentive Plan as described above. If Mr. Caviet does not enter into a long-term employment agreement with us by December 31, 2007, he will forfeit 250,000 of his options.

Under his provisional employment agreement, Mr. Caviet is eligible to receive a profit bonus as described above.

Under his provisional employment agreement, we are able to terminate Mr. Caviet's employment at any time for "cause" and, upon such an event, we will have no further compensation or benefit obligation to Mr. Caviet after the date of termination. Cause is defined in the agreement as (i) a material breach of the employment agreement by the executive, but only if such breach is not cured within 30 days following written notice by the Company to the executive of such breach, assuming such breach may be cured; (ii) conviction of any act or course of conduct involving moral turpitude; or (iii) engagement in any willful act or willful course of conduct constituting an abuse of office or authority that significantly and adversely affects our business or reputation. No act, failure to act or course of conduct on the executive's part will be considered willful unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action, omission or course of conduct was in our best interests.

Under his provisional employment agreement, Mr. Caviet has agreed to keep confidential all information regarding the Company that he receives during the term of his employment and thereafter. Mr. Caviet also agreed that during his employment and for a three-year period beginning upon termination of his employment he will not solicit any of our customers with whom he had dealings or senior employees or solicit any entity that he knows has been contacted by us regarding a possible acquisition by us for purposes of acquiring that entity.

Ben Turin

We have entered into a provisional employment agreement with Mr. Turin under which he has agreed to serve as our Chief Operating Officer, General Counsel and Assistant Secretary. The term of the employment agreement will end upon the expiration of the transition period (which will not extend beyond December 31, 2007) unless terminated earlier pursuant to the terms of the employment agreement or extended until June 30, 2008. We are currently negotiating a definitive long-term employment agreement with Mr. Turin. If we are unable to reach a definitive long-term agreement with Mr. Turin, he will remain in his position with our Company as an at-will employee.

Mr. Turin's annual base salary is $275,000, which is subject to annual review by the board of directors. Mr. Turin was awarded 75,000 options pursuant to the 2007 Share Incentive Plan as described above.

Under the provisional employment agreement, Mr. Turin is eligible to receive a profit bonus as described above.

Under his provisional employment agreement, we are able to terminate Mr. Turin's employment at any time for "cause" and, upon such an event, we will have no further compensation or benefit obligation to Mr. Turin after the date of termination. Cause is defined in the agreement as (i) a material breach of the employment agreement by the executive, but only if such breach is not cured within 30 days following written notice by the Company to the executive of such breach, assuming such breach may be cured; (ii) conviction of any act or course of conduct involving moral turpitude; or (iii) engagement in any willful act or willful course of conduct constituting an abuse of office or authority that significantly and adversely affects our business or reputation. No act, failure to act or course of conduct on the executive's part will be considered willful unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action, omission or course of conduct was in our best interests.

Under his provisional employment agreement, Mr. Turin has agreed to keep confidential all information regarding the Company that he receives during the term of his employment and thereafter. Mr. Turin also agreed that during his employment and for a three-year period beginning upon termination of his employment he will not solicit any of our customers with whom he had dealings or senior employees or solicit any entity that he knows has been contacted by us regarding a possible acquisition by us for purposes of acquiring that entity.

Non-Employee Director Compensation

We pay an annual retainer of $55,000 to each non-employee director of the Company. In addition, each non-employee director receives a fee of $2,000 for each meeting of the board of directors attended in person. Each non-employee director who chairs a committee also receives an annual retainer of $5,000, as well as $1,000 for each meeting of such committee of the board chaired. Each non-employee director receives a fee of $1,000 for attendance at each meeting of a committee of the board of directors on which he or she sits. We also reimburse our directors for reasonable expenses they incur in attending meetings of the board of directors or committees. Directors may also be eligible in the future for awards under the 2007 Share Incentive Plan. A director does not receive a fee for any board of directors meeting or committee meeting he or she does not attend in person or for any committee meeting he or she attends as a non-committee member.

At the closing of the private offering, each non-employee director received an initial grant of 12,000 options under the 2007 Share Incentive Plan described above, to purchase our common shares with an exercise price equal to $10.00 per share, which the board of directors determined to be the fair market value of our shares on the date of grant based on the share price of our private offering, which closed on that date. For determining the expense to record on our books, we used the Black-Scholes method consistent with FAS 123R accepted methodology, and we expect the same will apply to future grants. These options will vest on the first anniversary of the grant. In the future, on the anniversary of the date he or she joined the board of directors, each non-employee director will receive an annual grant of 6,000 options to purchase our common shares with an exercise price equal to the fair market value on the grant date, which will vest on the first anniversary of the grant.

Mr. Zyskind has not accepted a retainer, any board of directors or committee fees or any options for his service as Chairman of our board of directors.

Compensation Committee Interlocks and Insider Participation

All the members of our compensation committee are independent directors.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Founding Shareholders and Related Agreements

We were formed in June of 2007. In connection with our formation and capitalization, we issued 7,800,000 of our common shares, then representing 100% of our outstanding common shares, to the Founding Shareholders in consideration of their collective investment of $50 million in us. Currently, the common shares held by the Founding Shareholders represent 13.1% of our outstanding common shares. In connection with our formation and capitalization, we also issued 10-year warrants to the Founding Shareholders to purchase up to an additional 4,050,000 common shares at an exercise price equal to $10.00 per share, which shares represent 6.4% of our common shares outstanding, assuming the exercise of all warrants. The shares held by the Founding Shareholders, together with the shares issuable upon exercise of the Founding Shareholders' warrants, represent 18.6% of our outstanding common shares assuming the exercise of all warrants. All of the Founding Shareholders' warrants will expire 10 years from the date of issuance. To the extent the Founding Shareholders exercise all or part of their warrants, our common shares issued upon such exercise will be subject to "lock-up" restrictions preventing transfer by the Founding Shareholders of any such shares for three years from the date of issuance of such warrants. The warrants were issued to our Founding Shareholders in recognition of the value received from them, which included the development of our business strategy, the development of the private offering to raise initial funds for our operations, and the recruitment of certain executives to us. The 4,050,000 common shares issuable upon exercise of the warrants is based on what we believed would be an acceptable percentage of common shares to grant to our Founding Shareholders upon exercise of the warrants to compensate them for their contributions to us.

We have granted registration rights to Friedman, Billings, Ramsey & Co., Inc. for the benefit of the investors in the private offering and to the Founding Shareholders for their benefit and the benefit of their direct and indirect transferees of shares. The registration statement of which this prospectus is a part has been filed in accordance with our obligations under the related registration rights agreement. These registration rights are described under "Description of Share Capital—Registration Rights" below.

Our transfer agent, American Stock Transfer & Trust Company, is controlled by George Karfunkel and Michael Karfunkel, two of our Founding Shareholders.

As described in this prospectus, our Founding Shareholders, Michael Karfunkel, George Karfunkel and Barry Zyskind, are Chairman of the Board of Directors, Director and Chief Executive Officer of AmTrust, respectively. The Founding Shareholders own 57% of the outstanding shares of AmTrust.

Our Arrangements with AmTrust and its Subsidiaries

Quota Share Reinsurance Agreement and Master Agreement

General. On July 3, 2007 we entered into a master agreement with AmTrust, which was amended on September 17, 2007. Pursuant to the terms of the master agreement, as so amended, (i) AmTrust agreed to cause its Bermuda reinsurance affiliate, AII, to reinsure the AmTrust Ceding Insurers to the extent required to enable AII to cede to Maiden Insurance 40% of the AmTrust Ceding Insurers' gross written premiums in respect of covered business, net of the cost of unaffiliated inuring reinsurance and 40% of the AmTrust Ceding Insurers' Ultimate Net Loss related thereto, and (ii) we agreed to cause Maiden Insurance to reinsure such business.

In addition, on September 17, 2007, Maiden Insurance entered into a quota share reinsurance agreement with AII (the "Reinsurance Agreement"). Under the Reinsurance Agreement, Maiden Insurance assumes through AII 40% of the gross written premiums, net of the cost of unaffiliated inuring reinsurance and, in the case of IGI, net of commissions, and 40% of the Ultimate Net Loss of each AmTrust Ceding Insurer.

Quota Share and Limit of Liability. Pursuant to the Reinsurance Agreement, effective as of 12:01 a.m. on July 1, 2007 (the "Effective Time"), AII cedes to Maiden Insurance 40% of all Ultimate Net Loss each AmTrust Ceding Insurer incurs after July 1, 2007 as it relates to initial cession of unearned premium (in-force basis) and on a risk attaching basis as a result of premium cession on risks with policy inception dates after July 1, 2007 and during the term of the Reinsurance Agreement under all of their respective workers' compensation, specialty middle-market property and casualty (consisting of workers' compensation, general liability, commercial property, commercial automobile liability and auto physical damage insurance placed through program underwriting agents), and specialty risk and extended warranty policies during the term of the Reinsurance Agreement (the "Policies"). The lines of insurance included in the Policies are the only kinds of insurance that the AmTrust Ceding Insurers currently write. Maiden Insurance's maximum liability in respect of a single reinsured loss under a Policy (without taking into account loss adjustment expenses, Extra-Contractual Obligations and Loss in Excess of Policy Limits (both as defined below)) shall not exceed $2,000,000. In addition, Maiden Insurance will not reinsure any risk under a Policy if the AmTrust Ceding Insurer's retention with respect to such risk exceeds $5 million. "Ultimate Net Loss" means the sum actually paid or to be paid by an AmTrust Ceding Insurer in settlement of losses for which it is liable, after making deductions for all unaffiliated inuring reinsurance, whether collectible or not, and all other recoveries, and shall include loss adjustment expenses, Extra-Contractual Obligations and Loss in Excess of Policy Limits.

For purposes of the Reinsurance Agreement, "Extra-Contractual Obligations" means liabilities not covered under any other provision of the Reinsurance Agreement and which arise from an action against AII, or, to the extent reinsured by AII, against an AmTrust Ceding Insurer, by an AmTrust Ceding Insurer's insured, an assignee of an AmTrust Ceding Insurer's insured or a third party claimant, by reason of alleged or actual negligence, fraud or bad faith on the part of AII or any AmTrust Ceding Insurer in handling a claim under a Policy (whether or not paid) subject to the Reinsurance Agreement, but in each case excluding fraudulent or criminal acts by a director or executive officer of AII or of an AmTrust Ceding Insurer and criminal acts by AII or an AmTrust Ceding Insurer. "Loss Adjustment Expenses" means court costs, post-judgment interest, and allocated investigation, adjustment and legal expenses of AII related to and charged to a specific claim file, but shall not include general overhead expenses of AII or salaries, per diem and other remuneration of AII's employees. "Loss in Excess of Policy Limits" means an amount that AII would have been contractually obligated to pay had it not been for the limit of the original Policy, as a result of an action against it, or, to the extent reinsured by AII, against an AmTrust Ceding Insurer, by an AmTrust Ceding Insurer's insured, an assignee of an AmTrust Ceding Insurer's insured or a third party claimant, by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in trial of any action against its insured or in the preparation or prosecution of an appeal consequent upon such action, but in each case excluding fraudulent or criminal acts by a director or executive officer of AII or of an AmTrust Ceding Insurer and criminal acts by AII or an AmTrust Ceding Insurer. AmTrust's existing excess of loss reinsurance for its workers' compensation business includes coverage for extra-contractual obligations and losses in excess of policy limits within the coverage layers of 100% of $9 million in excess of the first $1 million of losses and 90% of $110 million in excess of $20 million. However, AmTrust does not have excess of loss reinsurance coverage for extra-contractual obligations and losses in excess of policy limits between $10 million and $20 million. AmTrust has agreed to use commercially reasonable efforts to maintain excess reinsurance providing substantially the same protection as it currently maintains with respect to Extra-Contractual Obligations and Loss in Excess of Policy Limits during the term of the Reinsurance Agreement.

Premium and Ceding Commission. Not later than October 30, 2007, AII will transfer to Maiden Insurance an amount equal to 40% of the portion of the direct premiums attributable to the Policies that was unearned as of the Effective Time. Pending receipt of such amount, Maiden Insurance will not earn investment income on such amount. However, as of the Effective Time, Maiden Insurance began earning premiums from such amount as the unearned premiums included therein are earned over the term of the underlying Policies. AmTrust and Maiden have agreed that, if the mix of the lines of insurance business ceded under the Reinsurance Agreement, as determined from time to time, differs materially from the mix as of the effective date of the Reinsurance Agreement, the parties will negotiate in good faith an appropriate adjustment to the ceding commission rate payable by Maiden Insurance.

In addition, during the term of the Reinsurance Agreement, AII cedes to Maiden Insurance 40% of the AmTrust Ceding Insurers' gross written premiums in respect of business covered under the Reinsurance Agreement, net of the cost of unaffiliated inuring reinsurance (and, in the case of IGI, net of commissions paid by IGI under its Policies) (the "Subject Premium").

Maiden Insurance pays to AII a ceding commission. The ceding commission rate is initially 31% of the ceded Subject Premium and may be adjusted every six months beginning July 1, 2008 and every six months thereafter, based on the net loss ratio of all business ceded under the Reinsurance Agreement from the Effective Time through the date that is six months prior to the adjustment date. The 31% ceding commission rate will increase by 0.5% for every 1.0% decline in the net loss ratio below 60% up to a maximum ceding commission of 32%, and will decrease by 0.5% for every 1.0% increase in the net loss ratio above 60%, subject to a minimum ceding commission of 30%. AII has agreed that the ceding commission includes provision for all commissions, taxes, assessments (other than assessments based on losses of an AmTrust Ceding Insurer) and all other expenses of whatever nature, except loss adjustment expenses.

Cessions of Additional Lines of Business. AmTrust has agreed that, if the AmTrust Ceding Insurers elect to write lines of insurance other than the Policies ("Additional Policies"), AII must offer Maiden Insurance the opportunity to reinsure the Additional Policies through AII pursuant to the Reinsurance Agreement. Any Additional Policies that Maiden Insurance elects to reinsure pursuant to the Reinsurance Agreement would be considered "Policies" for all purposes of the Reinsurance Agreement and would be subject to all of the terms and conditions of the Reinsurance Agreement, except that (a) the effective date of the reinsurance of the Additional Policies may be a date other than July 1, 2007 and (b) the formula to calculate the ceding commission payable in respect of the Additional Policies may be different than the ceding commission formula described in "— Premium and Ceding Commission" above.

Cessions by Additional AmTrust Affiliates. If AmTrust acquires a majority interest in an insurance company (an "Additional Company") that issues workers' compensation, specialty middle-market property and casualty (consisting of workers' compensation, general liability, commercial property, commercial automobile liability, and auto physical damage insurance placed through program underwriting agents) specialty risk and extended warranty policies, AmTrust has agreed to cause the Additional Company to cede to AII a quota share percentage of gross written premium, net of the cost of unaffiliated inuring reinsurance, and Ultimate Net Loss, sufficient to enable AII to cede 40% of the Additional Company's gross written premiums in respect of business covered under the Reinsurance Agreement to Maiden Insurance and Maiden Insurance has agreed to reinsure such business pursuant to the Reinsurance Agreement. In addition, pursuant to the master agreement, if an Additional Company issues policies covering lines of insurance other than those described above ("Other Additional Company Policies"), AII must offer to Maiden Insurance the opportunity to reinsure the Other Additional Company Policies pursuant to the Reinsurance Agreement. Any policies issued by an Additional Company and reinsured pursuant to the Reinsurance Agreement would be considered "Policies" for all purposes of the Reinsurance Agreement, and the Additional Company would be considered an "AmTrust Ceding Insurer" for all purposes of the Reinsurance Agreement, except that (a) the effective date and time of the reinsurance of those policies may be a date and time other than the Effective Time and (b) the formula to calculate the ceding commission payable in respect of the Other Additional Company Policies may be different than the ceding commission formula described in "— Premium and Ceding Commission" above. The master agreement provides that AmTrust will cause AII to reinsure AIIC when all regulatory approvals required for AIIC to enter into a reinsurance agreement with AII have been obtained.

Loans and Other Collateral. In order to provide Rochdale, TIC and Wesco (and AIIC, when AII begins reinsuring it) with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of the AmTrust Ceding Insurers, has established trust accounts ("Trust Accounts") for their benefit (and AII will establish a Trust Account for AIIC's benefit when all regulatory approvals required for AIIC to enter into a reinsurance agreement with AII have been obtained). Maiden Insurance has agreed to provide appropriate collateral to secure its proportional share under the Reinsurance Agreement of AII's obligations to the AmTrust Ceding Insurers. This collateral may be in the form of (a) assets loaned by Maiden Insurance to AII, for deposit into the Trust Accounts, pursuant to a loan agreement to be entered into between those parties, (b) assets transferred by Maiden Insurance, for deposit into the Trust Accounts, (c) a letter of credit obtained by Maiden Insurance and delivered to an AmTrust Ceding Insurer on AII's behalf (a "Letter of Credit"), or (d) premiums withheld by an AmTrust Ceding Insurer at Maiden Insurance's request in lieu of remitting such premiums to AII ("Withheld Funds"). Maiden Insurance may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Insurance's proportionate share of its obligations under its reinsurance agreement with AII as described below. If collateral is required to be provided to any other AmTrust Ceding Insurers under applicable law or regulatory requirements, Maiden Insurance will provide collateral to the extent required, although Maiden Insurance does not expect that such collateral will be required unless an AmTrust Ceding Insurer is domiciled in the United States. Maiden Insurance currently expects to satisfy its collateral requirements under the Reinsurance Agreement by lending assets to AII pursuant to a loan agreement to be entered into between those parties.

The amount of collateral Maiden Insurance is required to maintain, which is determined quarterly, equals its proportionate share of (a) the amount of ceded paid losses for which AII is responsible to such AmTrust Ceding Insurer but has not yet paid, (b) the amount of loss ceded reserves (including ceded reserves for claims reported but not resolved and losses incurred but not reported) for which AII is responsible to such AmTrust Ceding Insurer, and (c) the amount of ceded reserves for unearned premiums ceded by such AmTrust Ceding Insurer to AII. One or more forms of security described above must be maintained in the sum of these amounts until Maiden Insurance is no longer liable for its proportionate share of such obligations. Pursuant to the master agreement, if Maiden Insurance provides collateral by depositing assets in a Trust Account, AmTrust has agreed to cause the AmTrust Ceding Insurers not to commingle Maiden Insurance's assets with the AmTrust Ceding Insurer's other assets or with AII's assets if that AmTrust Ceding Insurer withdraws those assets.

AII has agreed that, if an AmTrust Ceding Insurer returns to AII excess assets withdrawn from a Trust Account, drawn on a Letter of Credit or maintained by such AmTrust Ceding Insurer as Withheld Funds, AII will immediately return to Maiden Insurance its proportionate share of such excess assets. AII has further agreed that if the aggregate fair market value of the amount of Maiden Insurance's assets held in the Trust Account, the face amount of the Letter of Credit and Maiden Insurance's portion of the Withheld Funds (to the extent Maiden Insurance has utilized each such form of collateral) exceeds Maiden Insurance's proportionate share of AII's obligations, or if an AmTrust Ceding Insurer misapplies any such collateral, AII will immediately return to Maiden Insurance an amount equal to such excess or misapplied collateral, less any amounts AII has paid to Maiden Insurance as described in the first sentence of this paragraph. In addition, if an AmTrust Ceding Insurer withdraws Maiden Insurance's assets from a Trust Account and maintains those assets on its books as withheld funds, AII has agreed to pay to Maiden Insurance all interest, dividends and other income received on those assets (except to the extent Maiden Insurance's proportionate share of AII's obligations to that AmTrust Ceding Insurer exceeds the value of the collateral Maiden Insurance has provided), and net of unpaid fees Maiden Insurance owes to AIIM and its share of fees owed to the trustee of the Trust Accounts.

Maiden Insurance and AII have not finalized the terms of the loan agreement. Maiden Insurance expects to do so in the near future. However, pursuant to the master agreement, Maiden and AmTrust have agreed that the loan agreement will contain the following terms and conditions:

- *Commitment.* For so long as Maiden Insurance remains liable to AII for business reinsured under the Reinsurance Agreement, Maiden Insurance shall make advances under the loan to AII with respect to each AmTrust Ceding Insurer to which AII is obligated to provide security. Such loan will be in an amount equal to Maiden Insurance's proportionate share of collateral for AII's obligations, unless Maiden Insurance elects to fund or provide for collateral other than through advances under the loan. AII will be entitled to request advances under the loan quarterly. Any advances shall be made within 10 days of each such request.

- *Use of Proceeds.* AII will deposit loan proceeds in the applicable Trust Account.

- *Interest.* Interest on the outstanding amount of the loan will accrue in an amount equal to the actual amount of dividends, interest and other income earned on the portion of the loan proceeds held in the Trust Accounts or in segregated accounts maintained by the AmTrust Ceding Insurers. To the extent that the principal amount of the loan proceeds (including the undistributed earnings and interest thereon) plus the value of any other collateral that Maiden Insurance has provided with respect to an AmTrust Ceding Insurer (the "Aggregate Collateral Value") exceeds Maiden Insurance's proportionate share of AII's obligations to such AmTrust Ceding Insurer, AII will pay such earnings and interest to Maiden Insurance quarterly, less any amounts due and payable by Maiden Insurance under the Reinsurance Agreement or the Asset Management Agreement and less Maiden Insurance's proportionate share of fees owed to the trustee of the Trust Accounts.

- *Maturity Date.* Each loan advance shall mature on the earliest to occur of (a) the date that is ten years following the date such advance was made, (b) the date on which Maiden Insurance no longer is liable for a proportionate share of AII's obligations to an AmTrust Ceding Insurer and (c) the date on which Maiden Insurance is no longer required to secure such obligations.

- *Automatic Reduction in Principal*: If an AmTrust Ceding Insurer applies loan proceeds to pay claims or return premiums to policyholders, the outstanding principal amount of the loan automatically shall be reduced by such amount (as shall be Maiden Insurance's obligation to pay AII under the Reinsurance Agreement), and as of the date of such application interest thereon shall no longer accrue.

- *Prepayments of Principal.* If, as of the end of a calendar quarter, the Aggregate Collateral Value with respect to an AmTrust Ceding Insurer exceeds Maiden Insurance's proportionate share of AII's obligations to such AmTrust Ceding Insurer, AII shall pre-pay advances under the Loan with respect to such AmTrust Ceding Insurer in an amount equal to the lesser of the amount of such advances or such excess, net, in either case, of any amounts due and payable by Maiden Insurance under the Reinsurance Agreement.

- *Effect of AII Payment Default under Reinsurance Agreement and Loan Agreement.* Maiden Insurance will not be required to continue to make advances on the loan to the extent that AII has failed to return to Maiden Insurance amounts owed under the Reinsurance Agreement (including with respect to collateral) or the loan agreement.

AmTrust has agreed to guarantee the complete and timely performance of each of AII's obligations to Maiden Insurance under the Reinsurance Agreement relating to the collateral described above. Further, AmTrust has agreed to guarantee the complete and timely performance of each of AII's obligations to Maiden Insurance under the loan agreement between Maiden Insurance and AII. If AII experiences a Company Change in Control (as defined below) and Maiden Insurance chooses not to terminate the Reinsurance Agreement, AmTrust's guarantee obligations will terminate immediately and automatically.

Term and Termination. The initial term of the Reinsurance Agreement is three years from the Effective Time. The Reinsurance Agreement will automatically renew for successive three-year periods thereafter, unless either Maiden Insurance or AII notifies the other party of its election not to renew the Reinsurance Agreement not less than nine months prior to the end of any such three-year period. In addition, Maiden Insurance and AII are entitled to terminate the Reinsurance Agreement as described below.

Termination by Maiden Insurance. Maiden Insurance may terminate the Reinsurance Agreement if:

- AII is 30 or more days in arrears on a payment due to Maiden Insurance under the Reinsurance Agreement and AII fails to cure that breach within 30 days following notice thereof (an "AmTrust Payment Default");

- AII becomes insolvent or similarly financially impaired;

- AII ceases writing new or renewal business and elects to run off its existing business or an insurance or other regulatory authority orders such party to cease writing new or renewal business;

- either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of AII or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of AII's voting securities, except if such individual person, corporation or other entity is under common control with AII, or (b) AmTrust no longer directly or indirectly controls the power to vote more than fifty percent (50%) of AII's voting securities (a "Company Change of Control"); provided that in no event shall the acquisition, including through merger, of more than fifty percent (50%) of the voting securities of AmTrust or of the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of AmTrust, or the merger, combination or amalgamation of AmTrust into any person, or similar transaction pursuant to which AmTrust shall not be the surviving entity, be deemed a Company Change of Control; or

- the shareholders' equity of AII and the AmTrust Ceding Insurers, in aggregate, is reduced to 50% or less of the amount of their aggregate shareholders' equity at either the inception of the Reinsurance Agreement or at the latest renewal or anniversary date of the Reinsurance Agreement.

If Maiden Insurance terminates the Reinsurance Agreement in these circumstances, the Reinsurance Agreement will terminate in full. Termination as a result of an AmTrust Payment Default shall be effective upon not less than 10 days prior written notice, and termination as a result of any other event described above shall be effective upon not less than 30 days prior written notice. Maiden Insurance may not terminate the Reinsurance Agreement as a result of such an event unless that event is continuing on the date it delivers its notice of termination to AII. Further, Maiden Insurance must exercise its termination right within 30 days (and within 10 days, in the case of an AmTrust Payment Default) following the date on which it has actual knowledge that such event occurred.

Termination by AII. AII may terminate the Reinsurance Agreement if:

- Maiden Insurance is 30 or more days in arrears on a payment due to any AmTrust Ceding Insurer under the Reinsurance Agreement and fails to cure that breach within 30 days following notice thereof (a "Maiden Insurance Payment Default");

- Maiden Insurance ceases writing new or renewal business and elects to run off its existing business or is ordered by a regulatory authority to do so;

- Maiden Insurance becomes insolvent or similarly financially impaired;

- either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of Maiden Insurance or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of Maiden Insurance, except if such individual person, corporation or other entity is under common control with Maiden Insurance or (b) Maiden Holdings no longer directly or indirectly controls the power to vote more than fifty percent (50%) of the voting securities of Maiden Insurance;

- the shareholders' equity of Maiden Insurance is reduced to 50% or less of the amount of its shareholders' equity at either the Effective Time or at the latest renewal or anniversary date of the Reinsurance Agreement; or

- Maiden Insurance fails to maintain an A.M. Best rating of "A-" or better.

Termination as a result of a Maiden Insurance Payment Default shall be effective upon not less than 10 days prior written notice, and termination as a result of any other event described immediately above shall be effective upon not less than 30 days prior written notice. AII may not terminate the Reinsurance Agreement as a result of such an event unless that event is continuing on the date it delivers its notice of termination to Maiden Insurance. Further, AII must exercise its termination right within 30 days (and within 10 days, in the case of a Maiden Insurance Payment Default) following the date on which it has actual knowledge that such event occurred.

Effect of Termination. If a party elects to terminate the Reinsurance Agreement (including as a result of the events described under "— Termination by Maiden Insurance" and "— Termination by AII" above), all reinsurance under the Reinsurance Agreement with respect to those Policies shall remain in force until the expiration date, anniversary date, or prior termination date of the Policies, unless, not later than 30 days following the effective date of termination, AII elects that Maiden Insurance shall not be liable for any losses occurring under those Policies on and after the date of termination. If AII makes that election, within 30 days from the date of termination, then Maiden Insurance shall return to AII the unearned premium applicable to those Policies in force at the time and date of termination, less the unearned portion of the ceding commission paid thereon.

Maiden Insurance's Right to Discontinue Reinsuring Business Written by an AmTrust Ceding Insurer. If an AmTrust Ceding Insurer becomes insolvent or similarly financially impaired or ceases writing new or renewal business and elects to run off its existing business or an insurance or other regulatory authority orders such party to cease writing new or renewal business, or if an AmTrust Ceding Insurer Change in Control occurs with respect to any AmTrust Ceding Insurer, Maiden Insurance shall be entitled to elect not to reinsure any Policies issued or renewed by such AmTrust Ceding Insurer after the effective date of such event. For purposes of the Reinsurance Agreement, an "AmTrust Ceding Insurer Change of Control" will be deemed to occur with respect to an AmTrust Ceding Insurer when either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of such AmTrust Ceding Insurer or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of such AmTrust Ceding Insurer, except if such individual person, corporation or other entity is under common control with the AmTrust Ceding Insurer, or (b) AmTrust no longer directly or indirectly controls the power to vote more than fifty percent (50%) of the voting securities of such AmTrust Ceding Insurer; provided that in no event shall the acquisition, including through merger, of more than fifty percent (50%) of the voting securities of AmTrust or of the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of AmTrust, or the merger, combination or amalgamation of AmTrust into any person, or similar transaction pursuant to which AmTrust shall not be the surviving entity, be deemed an "AmTrust Ceding Insurer Change of Control." If Maiden Insurance exercises this option (which it must exercise within 30 days following its knowledge of such event), all reinsurance of the business reinsured under the Reinsurance Agreement written by the applicable AmTrust Ceding Insurer that is in force as of the date the event occurred will remain in effect until the expiration date, anniversary date or prior termination date of the related Policies, unless AII elects that Maiden Insurance will not be liable for any losses occurring under the Policies after the date the event occurred, in which case Maiden Insurance will return the unearned premium as of that date applicable to those Policies, less the unearned portion of the ceding commission paid thereon.

Mutual Opportunities. The master agreement provides that on any occasion when we and AmTrust are both presented with opportunities to insure, reinsure or acquire the same book of business, each company will refer the opportunities to a committee of its independent directors to decide whether that company wishes to pursue the opportunity. See "—Potential Conflicts of Interest with respect to Future Transactions."

Excess of Loss Reinsurance

AmTrust has advised us that we may have an opportunity to participate in the working layer of the January 1, 2008 scheduled renewal of AmTrust's workers' compensation excess of loss reinsurance program, subject to the negotiation of mutually acceptable terms.

Asset Management Agreement

Maiden Insurance has entered into an asset management agreement with AIIM, an AmTrust subsidiary, pursuant to which AIIM has agreed to provide investment management services to Maiden Insurance. Pursuant to the asset management agreement, AIIM provides investment management services for an annual fee equal to 0.35% of average invested assets plus all costs incurred, except that this fee is not charged with respect to any assets invested in a hedge fund for which AmTrust or an affiliate earns a management fee or other compensation. We expect that a portion of our investment portfolio will be invested in hedge funds operated and managed by AmTrust. We will pay AmTrust a fee in connection with such investment. The annual fees associated with AmTrust's current hedge fund are 1% of assets under management and 20% of all net gains. AmTrust receives a majority of these fees. The asset management agreement has an initial term of one year and is automatically renewable for additional one-year terms unless either party elects not to renew the agreement. Following the initial one-year term, the agreement may be terminated upon 30 days written notice by either party.

Reinsurance Brokerage Agreement

We have entered into a reinsurance brokerage agreement with AII Reinsurance Broker Ltd., a subsidiary of AmTrust. Pursuant to the brokerage agreement, AII Reinsurance Broker Ltd. provides brokerage services relating to the Reinsurance Agreement for a fee equal to 1.25% of the premium reinsured from AII. The brokerage fee is payable in consideration of AII Reinsurance Broker Ltd.'s brokerage services. AII Reinsurance Broker Ltd. is not our exclusive broker. AII Reinsurance Broker Ltd. may, if mutually agreed, also produce reinsurance for us from other ceding companies, and in such cases we will negotiate a mutually acceptable commission rate.

Amendment to Original Master Agreement

We originally entered into the master agreement with AmTrust at the time of our private offering. The original master agreement provided that Maiden Insurance would enter into two reinsurance agreements, in the forms attached as exhibits to the master agreement, with the AmTrust Ceding Insurers (one reinsurance agreement for the U.S. AmTrust Ceding Insurers and one for the non-U.S. AmTrust Ceding Insurers). Since that time, and prior to entering into the reinsurance agreements attached as exhibits to the original master agreement, we and AmTrust agreed to amend the master agreement in certain respects, including with respect to the terms of the reinsurance agreements that we and AmTrust would cause Maiden and the AmTrust Ceding Insurers, respectively, to enter into. The principal changes that we and AmTrust agreed to make are summarized below:

- *Parties to the Reinsurance Agreement.* Under the master agreement, as originally executed, Maiden Insurance would have reinsured the AmTrust Ceding Insurers directly. Under the Reinsurance Agreement and Amendment No. 1 to the Master Agreement (the "Amendment"), AII reinsures the AmTrust Ceding Insurers directly, and Maiden Insurance reinsures AII pursuant to the Reinsurance Agreement. As a result of the Amendment, Maiden Insurance has no direct contractual relationship with the AmTrust Ceding Insurers and the Reinsurance Agreement is not subject to the review and approval of the domiciliary insurance regulators of the U.S. AmTrust Ceding Insurers. Pursuant to the Amendment, AmTrust has agreed to cause AII and the AmTrust Ceding Insurers to take certain actions for the benefit of Maiden Insurance, and has agreed to guarantee AII's obligations under the Reinsurance Agreement relating to the collateral to be provided by Maiden Insurance and under the loan agreement between Maiden Insurance and AII. See "— Quota Share Reinsurance Agreement and Master Agreement."

- *Maximum Liability*. Under the master agreement, as originally executed, Maiden Insurance's maximum liability in respect of a single reinsured loss would not exceed $2 million, including liability for Loss Adjustment Expenses, Extra-Contractual Obligations and Losses in Excess of Policy Limits. Under the Amendment, the $2 million limit of liability does not include liability for Loss Adjustment Expenses, Extra-Contractual Obligations and Losses in Excess of Policy Limits, and there is no limit on Maiden Insurance's maximum liability for these losses. However, AmTrust currently maintains for its workers' compensation business, and has agreed to use commercially reasonable efforts to maintain, excess of loss reinsurance covering extra-contractual obligations and losses in excess of policy limits, which coverage indemnifies AII and the AmTrust Ceding Insurers for 100% of $9 million in excess of the first $1 million of losses and 90% of $110 million in excess of $20 million. AmTrust's excess of loss reinsurance for the layer of $10 million in excess of $10 million does not cover extra-contractual obligations and losses in excess of policy limits. In addition, Maiden Insurance will not reinsure any risk under a Policy if the AmTrust Ceding Insurer's retention with respect to such risk exceeds $5 million.

- *Scope of Extra-Contractual Obligations and Losses in Excess of Policy Limits.* For purposes of the original reinsurance agreements, "extra-contractual obligations" and "losses in excess of policy limits" were defined to expressly exclude, among other acts, losses incurred by an AmTrust Ceding Insurer as a result of its bad faith or fraud or as a result of criminal acts. Under the Reinsurance Agreement these terms are defined to include bad faith and fraud on the part of AII or an AmTrust Ceding Insurer, but exclude fraudulent and criminal acts by a director or executive officer of AII or of an AmTrust Ceding Insurer and criminal acts by AII or an AmTrust Ceding Insurer.

- *Ceding Commissions.* For purposes of the original reinsurance agreements, ceding commissions included a provision for all assessments. Under the Amendment, assessments based on losses by the AmTrust Ceding Insurers are not covered by the ceding commission payment and Maiden Insurance would be obligated to indemnify AII for its proportionate share of such assessments.

- *Security.* Under the original master agreement, Maiden Insurance intended to secure its obligations under its reinsurance agreement with the U.S. AmTrust Ceding Insurers by depositing assets into trust accounts established for their benefit. Maiden Insurance and each of the U.S. AmTrust Ceding Insurers would have entered into a reinsurance trust agreement in order to accomplish the foregoing. Under the Amendment, Maiden Insurance has agreed to provide appropriate collateral to secure its proportional share of AII's obligations to the AmTrust Ceding Insurers. Maiden Insurance may provide this collateral in various ways, and it expects to satisfy its collateral requirements by lending assets to AII pursuant to a loan agreement between those parties. AII would in turn deposit these assets in Trust Accounts that AII would establish for the benefit of the U.S. AmTrust Ceding Insurers. AII has agreed to return to Maiden Insurance any assets of Maiden Insurance that an AmTrust Ceding Insurer misapplies or retains, subject to certain deductions. AmTrust has agreed to guarantee all of AII's obligations under the Reinsurance Agreement relating to security provided for the benefit of the AmTrust Ceding Insurers (including the foregoing obligation) and the loan agreement. If AII experiences a change in control and Maiden Insurance chooses not to terminate the Reinsurance Agreement, the guarantee is terminated.

- *Termination Events.*

  – Payment default. Under the original reinsurance agreements, in the event of a payment default by one party, the other party could terminate the reinsurance agreements, subject to a five-day cure period. Under the Reinsurance Agreement, the cure period for a payment default is 30 days.

  – Change in control of an AmTrust Ceding Insurer. Under the original reinsurance agreements, Maiden Insurance would have been permitted to terminate the reinsurance agreements, as to an AmTrust Ceding Insurer, if an unaffiliated person directly or indirectly acquired a majority interest in that AmTrust Ceding Insurer or if AmTrust no longer directly or indirectly controlled a majority interest in it. The reinsurance agreements would have remained in effect as to all AmTrust Ceding Insurers that did not experience the change in control. Under the Reinsurance Agreement, Maiden Insurance may terminate the Reinsurance Agreement in full if AII undergoes a change in control. If an AmTrust Ceding Insurer undergoes a change in control, Maiden Insurance may elect to no longer assume new business reinsured under the Reinsurance Agreement written by that AmTrust Ceding Insurer, and the Reinsurance Agreement will otherwise remain in effect.

  – Insolvency and run-off. Under the original reinsurance agreements, Maiden Insurance would have been entitled to terminate the reinsurance agreements in full if any AmTrust Ceding Insurer became insolvent or similarly financially impaired or ceased writing new business or experienced a decrease in policyholders' surplus of 50% or more. Under the Reinsurance Agreement, Maiden Insurance is not entitled to terminate the Reinsurance Agreement if the policyholders' surplus of an AmTrust Ceding Insurer decreases by 50% or more. If an AmTrust Ceding Insurer becomes insolvent or similarly financially impaired or ceases writing new business, Maiden Insurance may elect to no longer assume new business reinsured under the Reinsurance Agreement written by that AmTrust Ceding Insurer, and the Reinsurance Agreement will otherwise remain in effect. If AII experiences any of these events except decrease in policyholder surplus of 50% or more, Maiden Insurance may terminate the Reinsurance Agreement in full.

- Decrease in policyholders' surplus. Under the original reinsurance agreements, Maiden Insurance would have been permitted to terminate the reinsurance agreements in full if any AmTrust Ceding Insurer experienced a decrease in policyholders' surplus of 50% or more. Under the Reinsurance Agreement, Maiden Insurance is not entitled to terminate the Reinsurance Agreement if the policyholders' surplus of an AmTrust Ceding Insurer decreases by 50% or more. However, if the combined shareholders' equity of AII and the AmTrust Ceding Insurers decreases by 50% or more, Maiden Insurance may terminate the Reinsurance Agreement.

- Time to elect to terminate. Under the original reinsurance agreements, there was no express time period during which a party was required to elect to terminate the reinsurance agreements upon the occurrence of a termination event. Under the Reinsurance Agreement, the party must exercise the termination right within 30 days of its actual knowledge of the triggering event, or 10 days in the case of a payment default.

Potential Conflicts of Interest with Respect to Future Transactions

Barry D. Zyskind, our Chairman of the Board, is the President and Chief Executive Officer of AmTrust and Ronald E. Pipoly, Jr., our interim Chief Financial Officer, is the Chief Financial Officer of AmTrust. In addition, Max G. Caviet, our Chief Executive Officer, is currently employed by AmTrust (and Mr. Caviet is an executive of AmTrust) and is expected to continue to serve in his current position at AmTrust for a transition period which will not extend beyond December 31, 2007. In addition, Mr. Caviet will continue to own options and equity in AmTrust. Furthermore, other members of our executive management, including our Chief Operating Officer, are former managers of AmTrust. Conflicts of interest could arise with respect to business opportunities that could be advantageous to AmTrust or its subsidiaries, on the one hand, and us or our subsidiary, on the other hand. In addition, potential conflicts of interest may arise should the interests of AmTrust and Maiden Holdings diverge. See "Risk Factors — Risks Related to Our Business — Our business relationship with AmTrust and its subsidiaries may present, and make us vulnerable to, difficult conflicts of interest, related party transactions, business opportunity issues and legal challenges." From time to time, we and AmTrust may both be presented with opportunities to insure, reinsure or acquire the same book of business. Because of the overlaps between our and AmTrust's shareholders and management, we and AmTrust have agreed that in such cases, the opportunities will be referred to a committee of independent directors of each company to decide whether that company wishes to pursue the opportunity.

PRINCIPAL SHAREHOLDERS

The following table sets forth the total number and percentage of our common shares beneficially owned as of September 14, 2007 (except as otherwise indicated) by:

- each person known to us to be the beneficial owner of more than 5% percent of any class of our outstanding voting shares;
- each of our directors and executive officers; and
- all of such directors and executive officers as a group.

This table does not include stock options since none of the stock options approved for issuance are exercisable at this time or within 60 days of this prospectus. Except as otherwise indicated, each person named below has sole investment and voting power with respect to the securities shown. Unless otherwise stated, the address for all the persons listed below is: c/o Maiden Holdings, Ltd., 7 Reid Street, Hamilton HM 11, Bermuda.

	Shares Beneficially Owned(1)	
Name	**Number**	**Percent**
Barry D. Zyskind(2)	3,950,000(3)	6.5%
Michael Karfunkel(2)	3,950,000(4)	6.5
George Karfunkel(2)	3,950,000(5)	6.5
Max G. Caviet	—(7)	—
Ronald E. Pipoly, Jr.	—(8)	—
Ben Turin	—(9)	—
Simcha Lyons	5,000(6)	*
Raymond M. Neff	25,000(6)	*
Steven H. Nigro	—(6)	—
All executive officers and directors as a group (seven persons)	3,980,000(3)	6.5%

* Less than 1%.

(1) Based on 59,550,000 common shares outstanding. Does not include the grant at the closing of the private offering to certain of our non−employee directors (Messrs. Lyons, Neff and Nigro) of options to purchase 12,000 of our common shares, which options will vest on the first anniversary of the date of grant. Does not include the grant at the closing of the private offering of options to purchase (i) 300,000 of our common shares in the case of Mr. Caviet, (ii) 50,000 of our common shares in the case of Mr. Pipoly and (iii) 75,000 of our common shares in the case of Mr. Turin, which options will vest 25% on the first anniversary of the date of grant and 6.25% each quarter thereafter.

(2) Together, Barry D. Zyskind, Michael Karfunkel and George Karfunkel are our Founding Shareholders.

(3) Includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to Barry Zyskind, in connection with our formation and capitalization.

(4) Includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to Michael Karfunkel in connection with our formation and capitalization.

(5) Includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to George Karfunkel in connection with our formation and capitalization.

(6) Does not include options to acquire 12,000 common shares granted at the closing of the private offering, which options will vest on the first anniversary of the date of grant.

(7) Does not include options to acquire 300,000 common shares granted at the closing of the private offering, which options will vest 25% on the first anniversary of the date of grant and 6.25% each quarter thereafter.

(8) Does not include options to acquire 50,000 common shares granted at the closing of the private offering, which options will vest 25% on the first anniversary of the date of grant and 6.25% each quarter thereafter.

(9) Does not include options to acquire 75,000 common shares granted at the closing of the private offering, which options will vest 25% on the first anniversary of the date of grant and 6.25% each quarter thereafter.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes select provisions of our bye-laws.

General

We have an authorized share capital of $1 million divided into 100 million shares of par value $0.01 per share. Our issued and outstanding share capital consists of 59,550,000 common shares, par value $0.01 per share.

Common Shares

Holders of shares have no pre-emptive, redemption, conversion or sinking fund rights. Subject to the limitation on voting rights described below, holders of shares are entitled to one vote per share on all matters submitted to a vote of holders of shares. Most matters to be approved by holders of shares require approval by a simple majority vote. Under our bye-laws, the holders of at least a majority of the shares voting in person or by proxy at a meeting must generally approve an amalgamation with another company. The Companies Act provides that a resolution to remove our auditor before the expiration of its term of office must be approved by at least two-thirds of the votes cast at a meeting of our shareholders. The quorum for any meeting of our shareholders is two or more persons holding or representing a majority of the outstanding shares on an unadjusted basis. Our board of directors has the power to approve our discontinuation from Bermuda to another jurisdiction. Under our bye-laws, the rights attached to any class of shares, common or preferred, may be varied with the consent in writing of the holders of at least a majority of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class.

In the event of our liquidation, dissolution or winding-up, the holders of shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all our debts and liabilities and the liquidation preference of any outstanding preferred shares. All outstanding shares are fully paid and non-assessable. Authorized but unissued shares may, subject to any rights attaching to existing shares, be issued at any time and at the discretion of the board of directors without the approval of our shareholders, with such rights, preferences and limitations as the board may determine.

Limitation on Voting Rights

In general, and except as provided under our bye-laws and as provided below, the common shareholders have one vote for each common share held by them and are entitled to vote, on a non-cumulative basis, at all meetings of shareholders. However, if, and so long as, the shares of a shareholder are treated as “controlled shares” (as determined pursuant to sections 957 and 958 of the Code) of any U.S. Person (that owns shares directly or indirectly through non-U.S. entities) and such controlled shares constitute 9.5% or more of the votes conferred by our issued shares, the voting rights with respect to the controlled shares owned by such U.S. Person will be limited, in the aggregate, to a voting power of less than 9.5%, under a formula specified in our bye-laws. The formula is applied repeatedly until the voting power of all 9.5% U.S. Shareholders has been reduced to less than 9.5%. In addition, our board may limit a shareholder’s voting rights when it deems it appropriate to do so to (i) avoid the existence of any 9.5% U.S. Shareholder; and (ii) avoid certain material adverse tax, legal or regulatory consequences to us, any of our subsidiaries or any direct or indirect shareholder or its affiliates. “Controlled shares” include, among other things, all shares that such U.S. Person is deemed to own directly, indirectly or constructively (within the meaning of section 958 of the Code). The amount of any reduction of votes that occurs by operation of the above limitations will generally be reallocated proportionately amongst other shareholders whose shares were not “controlled shares” of the 9.5% U.S. Shareholder so long as such reallocation does not cause any person to become a 9.5% U.S. Shareholder.

Under these provisions, certain shareholders may have their voting rights limited, while other shareholders may have voting rights in excess of one vote per share. Moreover, these provisions could have the effect of reducing the votes of certain shareholders who would not otherwise be subject to the 9.5% limitation by virtue of their direct share ownership.

We are authorized to require any shareholder to provide information as to that shareholder’s beneficial share ownership, the names of persons having beneficial ownership of the shareholder’s shares, relationships with other shareholders or any other facts the directors may deem relevant to a determination of the number of common shares attributable to any person. If any holder fails to respond to this request or submits incomplete or inaccurate information, we may, in our sole discretion, eliminate the shareholder’s voting rights. Pursuant to our bye-laws, a shareholder must give notice within ten days of the date the shareholder acquires actual knowledge that it is the direct or indirect holder of controlled shares of 9.5% or more of the voting power of all our issued and outstanding shares. No shareholder will be liable to any other shareholder or to us for any losses or damages resulting from the shareholder’s failure to respond to, or submission of incomplete or inaccurate information in response to, a request from us for information as to the shareholder’s beneficial share ownership or from the shareholder’s failure to give the notice described in the previous sentence. All information provided by the shareholder will be treated by us as confidential information and will be used by us solely for the purpose of establishing whether any 9.5% U.S. Shareholder exists (except as otherwise required by applicable law or regulation).

If Maiden Holdings is required or entitled to vote at an annual or special general meeting (or to act by unanimous written consent in lieu of a general meeting) of any directly held non-U.S. subsidiary (including Maiden Insurance), the Maiden Holdings directors would refer the subject matter of the vote to the Maiden Holdings shareholders and seek direction from such shareholders as to how the Maiden Holdings directors should vote on the resolution proposed by the non-U.S. subsidiary. In such cases, the voting rights of Maiden Holdings' shareholders will be subject to the same restriction on voting power as set forth above. Substantially similar provisions will be contained in the bye-laws (or equivalent governing documents) of the non-U.S. subsidiaries.

Restrictions on Transfer, Issuance and Repurchase

Our directors may decline to register the transfer of any shares if they have reason to believe that such transfer may expose us or any direct or indirect shareholder or its affiliates to non-deminimis adverse tax, legal or regulatory consequences in any jurisdiction. Similarly, we could be restricted from issuing or repurchasing shares if our directors believe that such issuance or repurchase may result in a non-deminimis adverse tax, legal or regulatory consequence to us or any direct or indirect shareholder or its affiliates.

Our directors also may, in their absolute discretion, decline to register the transfer of any shares if they have reason to believe that registration of the transfer under the Securities Act or under any U.S. state securities laws or under the laws of any other jurisdiction is required and such registration has not been duly effected. In addition, our directors may decline to approve or register a transfer of shares unless all applicable consents, authorizations, permissions or approvals of any governmental body or agency in Bermuda, the United States or any other applicable jurisdiction required to be obtained prior to such transfer shall have been obtained.

We are authorized to request information from any holder or prospective acquirer of shares as necessary to give effect to the transfer, issuance and repurchase restrictions described above, and may decline to effect any transaction if complete and accurate information is not received as requested.

Conyers Dill & Pearman, our Bermuda counsel, has advised us that while the precise form of the restrictions on transfer contained in our bye-laws is untested, as a matter of general principle, restrictions on transfers are enforceable under Bermuda law and are not uncommon. A proposed transferee will be permitted to dispose of any shares purchased that violate the restrictions and as to the transfer of which registration is refused. The proposed transferor of those shares will be deemed to own those shares for dividend, voting and reporting purposes until a transfer of such shares has been registered on our shareholders register.

If the directors refuse to register a transfer for any reason, they must notify the proposed transferor and transferee within 30 days of such refusal. Our bye-laws also provide that our board of directors may suspend the registration of transfers for any reason and for such periods as it may determine, provided that it may not suspend the registration of transfers for more than 45 days in any period of 365 consecutive days.

The voting restrictions and restrictions on transfer described above may have the effect of delaying, deferring or preventing a change in control of Maiden Holdings.

Bye-laws

Our bye-laws provide for our corporate governance, including the establishment of share rights, modification of those rights, issuance of share certificates, calls on shares which are not fully paid, forfeiture of shares, the transfer of shares, alterations of capital, the calling and conduct of general meetings, proxies, the appointment and removal of directors, conduct and power of directors, the payment of dividends, the appointment of an auditor and our winding-up.

Our bye-laws provide that shareholders may only remove a director for cause prior to the expiration of that director's term at a meeting of shareholders at which a majority of the holders of shares voting thereon vote in favor of that action. For a description of our Board of Directors, see "Management —Directors and Officers of Maiden Holdings."

Our bye-laws may only be amended by a resolution adopted by the board of directors and by resolution of the shareholders.

Transfer Agent

Our registrar and transfer agent for the shares is American Stock Transfer & Trust Company.

Differences in Corporate Law

The Companies Act differs in certain material respects from laws generally applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant provisions of the Companies Act (including modifications adopted pursuant to our bye-laws) applicable to us, which differ in certain respects from provisions of Delaware corporate law, which is the law that governs many U.S. public companies. The following statements are summaries, and do not purport to deal with all aspects of Bermuda law that may be relevant to us and our shareholders.

Duties of Directors

Under Bermuda law, at common law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty has the following essential elements:

- a duty to act in good faith in the best interests of the company;
- a duty not to make a personal profit from opportunities that arise from the office of director;
- a duty to avoid conflicts of interest; and
- a duty to exercise powers for the purpose for which such powers were intended.

The Companies Act imposes a duty on directors and officers of a Bermuda company:

- to act honestly and in good faith with a view to the best interests of the company; and
- to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition, the Companies Act imposes various duties on officers of a company with respect to certain matters of management and administration of the company.

The Companies Act provides that in any proceedings for negligence, default, breach of duty or breach of trust against any officer, if it appears to a court that such officer is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that court may relieve him, either wholly or partly, from any liability on such terms as the court may think fit. This provision has been interpreted to apply only to actions brought by or on behalf of the company against such officer. Our bye-laws, however, provide that shareholders waive all claims or rights of action that they might have, individually or in the right of Maiden Holdings, against any director or officer of us for any act or failure to act in the performance of such director’s or officer’s duties, except this waiver does not extend to any claims or rights of action that arise out of fraud or dishonesty on the part of such director or officer.

Under Delaware law, the business and affairs of a corporation are managed by or under the direction of its board of directors. In exercising their powers, directors are charged with a fiduciary duty of care to protect the interests of the corporation and a fiduciary duty of loyalty to act in the best interests of its stockholders.

The duty of care requires that directors act in an informed and deliberative manner and inform themselves, prior to making a business decision, of all material information reasonably available to them. The duty of care also requires that directors exercise care in overseeing and investigating the conduct of corporate employees. The duty of loyalty may be summarized as the duty to act in good faith, not out of self-interest, and in a manner which the director reasonably believes to be in the best interests of the stockholders.

A party challenging the propriety of a decision of a board of directors bears the burden of rebutting the applicability of the presumptions afforded to directors by the “business judgment rule.” If the presumption is not rebutted, the business judgment rule attaches to protect the directors and their decisions, and their business judgments will not be second-guessed. Where, however, the presumption is rebutted, the directors bear the burden of demonstrating the entire fairness of the relevant transaction. Notwithstanding the foregoing, Delaware courts subject directors’ conduct to enhanced scrutiny in respect of defensive actions taken in response to a threat to corporate control and approval of a transaction resulting in a sale of control of the corporation.

Dividends

Bermuda law does not permit payment of dividends or distributions of contributed surplus by a company if there are reasonable grounds for believing that the company, after the payment is made, would be unable to pay its liabilities as they become due, or that the realizable value of the company's assets would be less, as a result of the payment, than the aggregate of its liabilities and its issued share capital and share premium accounts. The excess of the consideration paid on issue of shares over the aggregate par value of such shares must (except in certain limited circumstances) be credited to a share premium account. Share premium may be distributed in certain limited circumstances, for example to pay up unissued shares which may be distributed to shareholders in proportion to their holdings, but is otherwise subject to limitation. In addition, our ability to pay dividends is subject to Bermuda insurance laws and regulatory constraints. See "Dividend Policy" and "Regulation."

Under Delaware law, subject to any restrictions contained in the company's certificate of incorporation, a company may pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. Delaware law also provides that dividends may not be paid out of net profits at any time when capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

Mergers and Similar Arrangements

The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Under our bye-laws, we may, with the approval of at least majority of the votes cast at a general meeting of our shareholders at which a quorum is present, amalgamate with another Bermuda company or with a body incorporated outside Bermuda. In the case of an amalgamation, a shareholder may apply to a Bermuda court for a proper valuation of such shareholder's shares if such shareholder is not satisfied that fair value has been paid for such shares. Under Delaware law, with certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a corporation must be approved by the board of directors and the holders of a majority of the outstanding shares entitled to vote thereon. Under Delaware law, a stockholder of a corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the stockholder may receive cash in the amount of the fair value of the shares held by that stockholder (as determined by a court) in lieu of the consideration that the stockholder would otherwise receive in the transaction. Delaware law does not provide stockholders of a corporation with voting or appraisal rights when the corporation acquires another business through the issuance of its stock or other consideration (1) in exchange for the assets of the business to be acquired; (2) in exchange for the outstanding stock of the corporation to be acquired; (3) in a merger of the corporation to be acquired with a subsidiary of the acquiring corporation; or (4) in a merger in which the corporation's certificate of incorporation is not amended and the corporation issues less than 20% of its common stock outstanding prior to the merger.

Takeovers

Bermuda law provides that where an offer is made for shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer (other than shares held by or for the offeror or its subsidiaries) accept, the offeror may by notice require the nontendering shareholders to transfer their shares on the terms of the offer. Dissenting shareholders may apply to the court within one month of the notice objecting to the transfer. The test is one of fairness to the body of the shareholders and not to individuals and the burden is on the dissenting shareholder to prove unfairness, not merely that the scheme is open to criticism. Delaware law provides that a parent corporation, by resolution of its board of directors and without any shareholder vote, may merge with any subsidiary of which it owns at least 90% of the outstanding shares of each class of stock that is entitled to vote on the transaction. Upon any such merger, dissenting stockholders of the subsidiary would have appraisal rights.

Interested Directors

Bermuda law provides that if a director has a personal interest in a transaction to which the company is also a party and if the director discloses the nature of this personal interest at the first opportunity, either at a meeting of directors or in writing to the directors, then the company will not be able to declare the transaction void solely due to the existence of that personal interest and the director will not be liable to the company for any profit realized from the transaction. In addition, Bermuda law and our bye-laws provide that, after a director has made the declaration of interest referred to above, he is allowed to be counted for purposes of determining whether a quorum is present and to vote on a transaction in which he has an interest, unless disqualified from doing so by the chairman of the relevant board meeting. Under Delaware law such transaction would not be voidable if (1) the material facts as to such interested director's relationship or interests are disclosed to or are known by the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (2) such material facts are disclosed to or are known by the stockholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote thereon or (3) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, such interested director could be held liable for a transaction in which such director derived an improper personal benefit.

Shareholder's Suit

The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many U.S. jurisdictions. Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in our name to remedy a wrong done to us where the act complained of is alleged to be beyond our corporate power or is illegal or would result in the violation of our memorandum of association or bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of shareholders than actually approved it. The winning party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action. Our bye-laws provide that shareholders waive all claims or rights of action that they might have, individually or in the right of Maiden Holdings, against any of our directors or officers for any act or failure to act in the performance of such director's or officer's duties, except with respect to any fraud or dishonesty of such director or officer. Class actions and derivative actions generally are available to stockholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Indemnification of Directors

Our bye-laws indemnify our directors and officers in their capacity as such in respect of any loss arising or liability attaching to them by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to us other than in respect of his own fraud or dishonesty, which is the maximum extent of indemnification permitted under the Companies Act. Under Delaware law, a corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of such position if (1) the director or officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and (2) with respect to any criminal action or proceeding, if the director or officer had no reasonable cause to believe his conduct was unlawful. Under our bye-laws, each of our shareholders agrees to waive any claim or right of action, other than those involving fraud or dishonesty, against us or any of our officers or directors.

Inspection of Corporate Records

Members of the general public have the right to inspect our public documents available at the office of the Registrar of Companies in Bermuda, which includes our memorandum of association (including our objects and powers) and alterations to our memorandum of association, including any increase or reduction of our authorized capital. Our shareholders have the additional right to inspect our bye-laws, minutes of general meetings and our audited financial statements, which must be presented to the annual general meeting of shareholders. Our register of shareholders is also open to inspection by shareholders and to members of the public without charge. We are required to maintain a share register in Bermuda but may establish a branch register outside Bermuda. We are required to keep at our registered office a register of our directors and officers which is open for inspection by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Delaware law permits any stockholder to inspect or obtain copies of a corporation's stockholder list and its other books and records for any purpose reasonably related to such person's interest as a stockholder.

Enforcement of Judgments and Other Matters

We have been advised by Conyers Dill & Pearman, our Bermuda counsel, that there is doubt as to whether the courts of Bermuda would enforce (1) judgments of United States courts obtained in actions against us or our directors and officers who may reside outside the United States, as well as the experts named in this prospectus who reside outside the United States, predicated upon the civil liability provisions of the U.S. federal securities laws and (2) original actions brought in Bermuda against us or our directors and officers, as well as the experts named in this prospectus who reside outside the United States predicated solely upon U.S. federal securities laws. There is no treaty in effect between the United States and Bermuda providing for such enforcement, and there are grounds upon which Bermuda courts may not enforce judgments of U.S. courts. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies available under the U.S. federal securities laws, would not be allowed in Bermuda courts as contrary to Bermuda's public policy.

Registration Rights

Purchasers in the Private Offering

The purchasers of common shares in the private offering are entitled to the benefits of a registration rights agreement we have entered into with Friedman, Billings, Ramsey & Co., Inc., which has been filed as an exhibit to the registration statement of which this prospectus is a part. Pursuant to the registration rights agreement, we have agreed, at our expense, to file with the SEC no later than 90 days following the closing of the private offering a shelf registration statement registering for resale the common shares sold therein, and any additional common shares issued in respect thereof whether by share dividend, split or otherwise. The registration statement of which this prospectus is a part is being filed in accordance with our obligations under this registration rights agreement, and constitutes such a shelf registration statement.

We are required to use our commercially reasonable efforts to cause the shelf registration statement to become effective under the Securities Act as soon as practicable after the filing and to continuously maintain the effectiveness of the shelf registration statement under the Securities Act until the first to occur of:

- the sale of all of the common shares in accordance with the intended distribution pursuant to the shelf registration statement or pursuant to Rule 144 under the Securities Act;
- the shares covered by the shelf registration statement are no longer outstanding; or
- the second anniversary of the initial effective date of the shelf registration statement.

If we choose to file a registration statement for an initial public offering of our common shares, all holders of our common shares purchased in this offering and each of their respective direct and indirect transferees may elect to participate in the registration in order to resell their shares, subject to:

- compliance with the registration rights agreement;
- cutback rights on the part of the underwriters; and
- other conditions and limitations that may be imposed by the underwriters.

Upon an initial public offering by us, the holders of our common shares that are beneficiaries of the registration rights agreement will not be able to sell, grant any option or otherwise transfer any remaining shares not included in the initial public offering for a period of 60 days following the effective date of the registration statement filed in connection with the initial public offering.

Notwithstanding the foregoing, we will be permitted, under limited circumstances, to suspend the use, from time to time, of the prospectus that is part of a shelf registration statement (and therefore suspend sales under the registration statement) for certain periods, referred to as "blackout periods," if, among other things, any of the following occurs:

- the representative of the underwriters of an underwritten offering of primary shares by us has advised us that the sale of our common shares under the shelf registration statement would have a material adverse effect on such primary offering;
- the majority of the independent members of our board of directors, in good faith, determines that (1) the offer or sale of any common shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, amalgamation, merger, tender offer, business combination, corporate reorganization or other significant transaction involving us; or (2) after the advice of counsel, the sale of the shares covered by the shelf registration statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law; and (3) (a) we have a bona fide business purpose for preserving the confidentiality of the proposed transaction, (b) disclosure would have a material adverse effect on us or our ability to consummate the proposed transaction or (c) the proposed transaction renders us unable to comply with requirements of the SEC; or

- the majority of the independent members of our board of directors, in good faith, after advice of counsel, determines that we are required by law, rule or regulation, or that it is in our best interests to supplement the shelf registration statement or file a post-effective amendment to the shelf registration statement in order to incorporate information into the shelf registration statement for the purpose of (1) including in the shelf registration statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the shelf registration statement any facts or events arising after the effective date of the shelf registration statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (3) including in the prospectus included in the shelf registration statement any material information with respect to the plan of distribution not disclosed in the shelf registration statement or any material change to such information.

The cumulative blackout periods may not exceed an aggregate of 90 days in any rolling twelve-month period commencing on the closing of this offering or 60 days in any rolling 90-day period.

We cannot, without the prior written consent of the holders of a majority of the outstanding registrable shares, enter into any agreement with current or prospective holders that would allow them to (i) include their shares in any registration statement filed pursuant to the registration rights agreement, unless such holders reduce the amount of their shares to be included if necessary to allow the inclusion of all of the shares of the holders under the registration rights agreement or (ii) have their common shares registered on a registration statement that could be declared effective prior to or within 180 days of the effective date of any registration statement filed pursuant to the registration rights agreement.

A holder that sells our common shares pursuant to a shelf registration statement or as a selling shareholder pursuant to an underwritten public offering generally will be required to be named as a selling shareholder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder (including certain indemnification rights and obligations). In addition, each holder of our common shares will be required to deliver information to be used in connection with the shelf registration statement within a twenty business-day period following receipt of notice from us in order to have such holder’s common shares included in the shelf registration statement.

Each common share certificate may contain a legend to the effect that the holder thereof, by its acceptance thereof, will be deemed to have agreed to be bound by the provisions of the registration rights agreement. In that regard, each holder will be deemed to have agreed that, upon receipt of notice of the occurrence of any event which makes a statement in the prospectus which is part of the shelf registration statement untrue in any material respect or which requires the making of any changes in such prospectus in order to make the statements therein not misleading, or of certain other events specified in the registration rights agreement, such holder will suspend the sale of our common shares pursuant to such prospectus until we have amended or supplemented such prospectus to correct such misstatement or omission and have furnished copies of such amended or supplemented prospectus to such holder or we have given notice that the sale of the common shares may be resumed.

In connection with our filing of a registration statement, we have agreed to use our commercially reasonable efforts to satisfy the criteria for listing and list or include (if we meet the criteria for listing on such exchange or market) our common shares on the NASDAQ Global Market or the New York Stock Exchange (including seeking to cure in our listing application any deficiencies cited by the exchange or market). Application will be made to have our common shares approved for listing on the NASDAQ Global Market or the New York Stock Exchange.

We have agreed to bear certain expenses incident to our registration obligations upon exercise of these registration rights, including the payment of U.S. federal securities law and state blue sky registration fees, except that we will not bear any underwriting discounts or commissions relating to the sale of common shares. We have agreed to indemnify each selling shareholder for certain violations of U.S. federal or state securities laws in connection with any registration statement in which such selling shareholder sells its common shares pursuant to these registration rights. Each selling shareholder will in turn agree to indemnify us for U.S. federal or state securities law violations that occur in reliance upon written information it provides for us in the registration statement.

We will also provide each holder of registrable shares with copies of the prospectus that is a part of the registration statement, notify such holder when the registration statement has become effective and take certain other actions as are required to permit unrestricted resales.

Generally, you can satisfy the prospectus delivery requirement by disclosing to a selling broker the existence of the requirement to sell the shares in accordance with the resale registration statement covering the shares and making arrangements with such broker to deliver a current prospectus in connection with any such sale. Upon receipt of a written request therefor, we will provide a reasonable number of current prospectuses to each investor.

The preceding summary of certain provisions of the registration rights agreement is not intended to be complete, and is subject to, and qualified in its entirety by reference to, all of the provisions of the registration rights agreement, and you should read this summary together with the complete text of the registration rights agreement.

Our Founding Shareholders' Registration Rights

We also entered into a registration rights agreement with our Founding Shareholders, pursuant to which we have agreed to register the 7,800,000 common shares they have purchased from us together with the 4,050,000 of our common shares issuable upon the exercise of the warrants we granted to our Founding Shareholders in connection with our formation and capitalization. These 7,800,000 shares are being registered pursuant to the registration statement of which this prospectus is a part. Our Founding Shareholders' registration rights include, subject to certain limitations, the right to participate in future registered offerings of our common shares and the right to request on not more than two occasions that we register a portion or all of their shares. We agreed to bear certain expenses incident to our registration obligations upon exercise of our Founding Shareholders' registration rights, including the payment of U.S. federal securities law and state blue sky registration fees, except that we will not bear any underwriting discounts or commissions relating to the sale of our common shares. We agreed to indemnify our Founding Shareholders for certain violations of U.S. federal or state securities laws in connection with any registration statement in which our Founding Shareholders sell their common shares pursuant to these registration rights.

Lock-Up Arrangements

We have agreed that for a period beginning on June 26, 2007 and continuing for 180 days thereafter, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc., we will not:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of lend or otherwise dispose of or transfer, directly or indirectly, any of our equity securities or any securities convertible into or exercisable or exchangeable for our equity securities (other than our common shares, or securities convertible into or exercisable or exchangeable for our common shares, that are issued under our 2007 Share Incentive Plan), except that we may conduct an initial public offering of our common shares; or

- enter into any swap or other arrangement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our equity securities, whether any such transaction described above is to be settled by delivery of our common shares or such other securities, in cash or otherwise.

For a period beginning on June 26, 2007 and continuing until 180 days after the registration statement of which this prospectus is a part becomes effective, all of our directors, executive officers and Founding Shareholders have agreed that they will not, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc.:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any of our equity securities or any securities convertible into or exercisable or exchangeable for our equity securities, or

- enter into any swap or other arrangement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our equity securities, whether any such transaction described above is to be settled by delivery of our common shares or such other securities, in cash or otherwise.

The restricted period described in the immediately preceding paragraph is subject to extension such that, in the event that either (1) during the last 17 days of the restricted period we issue an earnings release or material news or a material event relating to us occurs, or (2) prior to the expiration of the restricted period, we announce that we will release earnings results during the 16-day period following the last day of the restricted period, the 'lock-up' restrictions described above will continue to apply until the expiration of the 18-day period beginning on the date of the issuance of the earnings release or the occurrence of the material news or material event, unless Friedman, Billings, Ramsey & Co., Inc. waives such extension in writing.

Subject to applicable securities laws, our directors, executive officers and Founding Shareholders may transfer their common shares in our company: (i) as a bona fide gift or gifts, provided that the donees agree to be bound by the same restrictions; (ii) to any trust for the direct or indirect benefit of the shareholder or the immediate family of the shareholder, provided that the trustee agrees to be bound by the same restrictions; (iii) as a distribution to its shareholders, partners or members, provided that such shareholders, partners or members agree to be bound by the same restrictions; (iv) as required under any of our benefit plans or our bye-laws; (v) as collateral for any loan, provided that the lender agrees to be bound by the same restrictions; (vi) with respect to sales of securities acquired in the open market; or (vii) to an executor or heir in the event of the death of the shareholder, provided that the executor or heir agrees to be bound by the same restrictions. In addition, the restrictions described above do not apply to the exercise of any options or other convertible securities granted under any of our benefit plans.

In addition, upon an initial public offering by us, our directors, executive officers and Founding Shareholders generally will not be able to sell our common shares for a period of 90 days following the effective date of the registration statement with respect to the initial public offering. See "Description of Share Capital — Registration Rights."

In addition, upon an initial public offering by us, the holders of our common shares that are beneficiaries of the registration rights agreement and not our employees or affiliates will not be able to sell our common shares for a period of 60 days following the effective date of the registration statement with respect to the initial public offering.

MATERIAL TAX CONSIDERATIONS

The following summary of our taxation and the taxation of our shareholders is based upon current law and is for general information only. Legislative, judicial or administrative changes may be forthcoming that could affect this summary.

The following legal discussion (including and subject to the matters and qualifications set forth in such summary) of the material tax considerations under (i) "Taxation of Maiden Holdings and Maiden Insurance — Bermuda" and "Taxation of Shareholders — Bermuda Taxation" is based upon the advice of Conyers Dill & Pearman, our Bermuda counsel, (ii) "Taxation of Maiden Holdings and Maiden Insurance — United States" and "Taxation of Shareholders — United States Taxation" is based upon the advice of LeBoeuf, Lamb, Greene & MacRae LLP, New York, New York, and (iii) "Taxation of Maiden Holdings and Maiden Insurance — United Kingdom" is based upon the advice of LeBoeuf, Lamb, Greene & MacRae, London, United Kingdom. The advice of such firms does not include any factual or accounting matters, determinations or conclusions including amounts and computations of RPII and amounts or components thereof or facts relating to our business or activities and is premised on the accuracy of the assumptions contained herein and the factual statements and representations made to such firms. The discussion is based upon current law. Legislative, judicial or administrative changes or interpretations may be forthcoming that could be retroactive and could affect the tax consequences to us or holders of our shares. The tax treatment of a holder of our shares, or of a person treated as a holder of our shares for U.S. federal income, state, local or non-U.S. tax purposes, may vary depending on the holder's particular tax situation. Statements contained herein as to the beliefs, expectations and conditions of Maiden Holdings and Maiden Insurance as to the application of such tax laws or facts represent the view of management as to the application of such laws and do not represent the opinions of counsel.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF OWNING THE SHARES.

Taxation of Maiden Holdings and Maiden Insurance

Bermuda

Under current Bermuda law, there is no income, corporate or profits tax or withholding tax, capital gains tax or capital transfer tax, estate or inheritance tax payable by us or our shareholders, other than shareholders ordinarily resident in Bermuda, if any. Maiden Holdings and Maiden Insurance will each apply for and expect to receive from the Minister of Finance under The Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to Maiden Holdings and Maiden Insurance or to any of their operations or their shares, debentures or other obligations, until March 28, 2016. Maiden Holdings and Maiden Insurance could be subject to taxes in Bermuda after that date. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to any property leased to Maiden Holdings and Maiden Insurance. Maiden Holdings and Maiden Insurance will each pay annual Bermuda government fees, and Maiden Insurance will pay annual insurance license fees. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

United States

The following discussion is a summary of material U.S. tax considerations relating to our operations. A non-U.S. corporation that is engaged in the conduct of a U.S. trade or business will be subject to U.S. federal income tax as described below, unless entitled to the benefits of an applicable tax treaty. Whether business is being conducted in the United States is an inherently factual determination. However, (i) because there is considerable uncertainty as to activities which constitute being engaged in a trade or business within the United States, (ii) a significant portion of Maiden Insurance's business will be reinsurance of AmTrust's insurance subsidiaries and Maiden Insurance may not be able to expand its reinsurance business beyond its agreement with AmTrust, (iii) our Chairman of the Board is AmTrust's President and Chief Executive Officer, and certain of our executive officers are also executive officers of AmTrust, including (a) our interim Chief Financial Officer is AmTrust's Chief Financial Officer and is expected to continue to serve as an executive of AmTrust on a permanent basis, and (b) our Chief Executive Officer is currently an executive officer of AmTrust and is expected to continue to serve as an executive officer of AmTrust on a transitional basis, (iv) we will have an asset management agreement with a subsidiary of AmTrust and may also have additional contractual relationships with AmTrust in the future (see "Certain Relationships and Related Transactions"), and (v) the activities conducted outside the United States related to Maiden Insurance's start-up were limited, we cannot be certain that the IRS will not contend successfully that we are engaged in a trade or business in the U.S. A non-U.S. corporation deemed to be so engaged would be subject to U.S. federal income tax at regular corporate rates, as well as the branch profits tax, on its income which is treated as effectively connected with the conduct of that trade or business unless the corporation is entitled to relief under the permanent establishment provision of an applicable tax treaty, as discussed below. Such income tax, if imposed, would be based on effectively connected income computed in a manner generally analogous to that applied to the income of a U.S. corporation, except that a non-U.S. corporation is generally entitled to deductions and credits only if it files a U.S. federal income tax return. Maiden Insurance intends to file protective U.S. federal income tax returns. The highest marginal federal income tax rates currently are 35% for a corporation's effectively connected income and 30% for the additional "branch profits" tax.

If Maiden Insurance is entitled to benefits under the income tax treaty between the United States and Bermuda, which we refer to as the Bermuda Treaty, Maiden Insurance would not be subject to U.S. federal income tax on any income found to be effectively connected with a U.S. trade or business unless that trade or business is conducted through a permanent establishment in the United States. No regulations interpreting the Bermuda Treaty have been issued. Maiden Insurance currently intends to conduct its activities so that it does not have a permanent establishment in the United States, although we cannot be certain that we will achieve this result.

An insurance enterprise resident in Bermuda generally will be entitled to the benefits of the Bermuda Treaty if (i) more than 50% of its shares are owned beneficially, directly or indirectly, by individual residents of the United States or Bermuda or U.S. citizens and (ii) its income is not used in substantial part, directly or indirectly, to make disproportionate distributions to, or to meet certain liabilities of, persons who are neither residents of either the United States or Bermuda nor U.S. citizens. We cannot be certain that Maiden Insurance will be eligible for Bermuda Treaty benefits immediately following this offering or in the future because of factual and legal uncertainties regarding the residency and citizenship of Maiden Holdings' shareholders. Maiden Holdings would not be eligible for treaty benefits because it is not an insurance company. Accordingly, Maiden Holdings and Maiden Insurance have conducted and intend to conduct substantially all of their operations outside the United States and to limit their U.S. contacts, other than as noted above, so that Maiden Holdings and Maiden Insurance can mitigate the risk that they would be treated as engaged in the conduct of a trade or business in the United States.

Non-U.S. insurance companies carrying on an insurance business within the United States have a certain minimum amount of effectively connected net investment income, determined in accordance with a formula that depends, in part, on the amount of U.S. risk insured or reinsured by such companies. If Maiden Insurance is considered to be engaged in the conduct of an insurance business in the United States and it is not entitled to the benefits of the Bermuda Treaty in general (because it fails to satisfy one of the limitations on treaty benefits discussed above), the Code could subject a significant portion of Maiden Insurance's investment income to U.S. federal income tax. In addition, while the Bermuda Treaty clearly applies to premium income, it is uncertain whether the Bermuda Treaty applies to other income such as investment income. If Maiden Insurance is considered engaged in the conduct of an insurance business in the United States and is entitled to the benefits of the Bermuda Treaty in general, but the Bermuda Treaty is interpreted to not apply to investment income, a significant portion of Maiden Insurance's investment income could be subject to U.S. federal income tax.

Non-U.S. corporations not engaged in a trade or business in the United States are nonetheless subject to a U.S. income tax imposed by withholding on certain "fixed or determinable annual or periodic gains, profits and income" derived from sources within the United States (such as dividends and certain interest on investments), subject to exemption under the Code or reduction by applicable treaties. The Bermuda Treaty does not reduce the U.S. federal withholding rate on U.S.-sourced investment income.

The United States also imposes an excise tax on insurance and reinsurance premiums paid to non-U.S. insurers or reinsurers (i) with respect to risks of a U.S. entity or individual located wholly or partly within the United States and (ii) with respect to risks of a non-U.S. entity or individual engaged in a trade or business in the United States which are located within the United States. The rates of tax applicable to premiums paid to Maiden Insurance are 4% for direct casualty insurance premiums and 1% for reinsurance premiums.

With respect to related party cross border reinsurance, section 845 of the Code allows the IRS to allocate income, deductions, assets, reserves, credits and any other items related to a reinsurance agreement among certain related parties to the reinsurance agreement, or in circumstances where one party is an agent of the other, recharacterize such items, or make any other adjustment, in order to reflect the proper source, character or amount of the items for each party. In addition, if a reinsurance contract has a significant tax avoidance effect on any party to the contract, the IRS may make adjustments with respect to such party to eliminate the tax avoidance effect. No regulations have been issued under section 845 of the Code. Accordingly, the application of such provisions to us is uncertain and we cannot predict what impact, if any, such provisions may have on us.

United Kingdom

A company which is resident in the UK for UK corporation tax purposes is subject to UK corporation tax in respect of its worldwide income and gains. Neither Maiden Holdings nor Maiden Insurance is incorporated in the UK. Nevertheless, Maiden Holdings or Maiden Insurance would be treated as being resident in the UK for UK corporation tax purposes if its central management and control were exercised in the UK. The concept of central management and control is indicative of the highest level of control of a company's affairs, which is wholly a question of fact. The directors and officers of both Maiden Holdings and Maiden Insurance intend to manage their affairs so that both companies are resident in Bermuda, and not resident in the UK, for UK tax purposes. However, Her Majesty's Revenue & Customs could challenge our tax residence status.

A company which is not resident in the UK for UK corporation tax purposes can nevertheless be subject to UK corporation tax at the rate of 30% if it carries on a trade in the UK through a permanent establishment in the UK, but the charge to UK corporation tax is limited to profits (including income profits and chargeable gains) attributable directly or indirectly to such permanent establishment.

The directors and officers of Maiden Insurance intend to operate the business of Maiden Insurance in such a manner that it does not carry on a trade in the UK through a permanent establishment in the UK. Nevertheless, Her Majesty's Revenue & Customs might contend successfully that Maiden Insurance is trading in the UK through a permanent establishment in the UK because:

- there is considerable uncertainty as to the activities which constitute carrying on a trade in the UK through a permanent establishment in the UK;
- a portion of Maiden Insurance's business will be reinsurance of AmTrust's UK insurance subsidiary;
- our President and Chief Executive Officer:
    - is expected to continue to serve as Managing Director of AmTrust International Underwriters Limited, which has substantial operations in the UK, for a transitional period;
    - is expected to continue to be professionally based and personally tax resident in the UK during a transition period (which will not extend past December 31, 2007), traveling to Bermuda as needed;
    - is expected, thereafter, to split his time between the UK and Bermuda; and
    - has extensive relationships in the London reinsurance markets, which he intends to exploit for the benefit of Maiden Insurance; and
- the nature of the business of Maiden Insurance is not expected to require more than a relatively small underwriting team in Bermuda.

The UK has no income tax treaty with Bermuda. Companies that are neither resident in the UK nor entitled to the protection afforded by a double tax treaty between the UK and the jurisdiction in which they are resident are liable to income tax in the UK, at the basic rate of 22%, on the profits of a trade carried on in the UK, where that trade is not carried on through a permanent establishment in the UK. The directors and officers of Maiden Insurance intend to operate the business in such a manner that Maiden Insurance will not fall within the charge to income tax in the UK (other than by way of deduction or withholding) in this respect.

If either Maiden Holdings or Maiden Insurance were treated as being resident in the UK for UK corporation tax purposes, or if Maiden Insurance were treated as carrying on a trade in the UK, whether through a permanent establishment or otherwise, the results of the Group's operations would be materially adversely affected.

Taxation of Shareholders

Bermuda Taxation

Currently, there is no Bermuda income, corporate or profits tax or withholding tax, capital gains tax or capital transfer tax, estate or inheritance tax or other tax payable by holders of our shares, other than shareholders ordinarily resident in Bermuda, if any.

United States Taxation

The following summary sets forth the material U.S. federal income tax considerations related to the ownership and disposition of our shares. Unless otherwise stated, this summary deals only with shareholders that are U.S. Persons (as defined below) who acquire our shares through this offering, who do not own (directly, indirectly through non-U.S. entities or "constructively") shares of Maiden Holdings or Maiden Insurance prior to this offering and who hold their shares as capital assets within the meaning of section 1221 of the Code. The following discussion is only a discussion of the material U.S. federal income tax matters as described herein and does not purport to address all of the U.S. federal income tax consequences that may be relevant to a particular shareholder in light of such shareholder's specific circumstances. In addition, except as disclosed below, the following summary does not address the U.S. federal income tax consequences that may be relevant to special classes of shareholders, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers or traders in securities, tax exempt organizations, expatriates, investors in pass-through entities, persons who are considered with respect to any of us as "United States shareholders" for purposes of the CFC rules of the Code (generally, a U.S. Person, as defined below, who owns, directly, indirectly through foreign entities or constructively, 10% or more of the total combined voting power of all classes of Maiden Holdings or Maiden Insurance shares entitled to vote (a "10% U.S. Shareholder")), or persons who hold their shares as part of a hedging or conversion transaction or as part of a short-sale or straddle, who may be subject to special rules or treatment under the Code. This discussion is based upon the Code, the Treasury Regulations promulgated thereunder and any relevant administrative rulings or pronouncements or judicial decisions, all as in effect on the date hereof and as currently interpreted, and does not take into account possible changes in such tax laws or interpretations thereof, which may apply retroactively. This discussion does not include any description of the tax laws of any state or local governments within the United States or of any non-U.S. government and does not discuss the effect of the alternative minimum tax. Persons considering making an investment in our shares should consult their own tax advisors concerning the application of the U.S. federal tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction prior to making such investment.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds our shares, the tax treatment of the partners will generally depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our shares, you should consult your tax advisor.

For purposes of this discussion, the term "U.S. Person" means: (i) an individual citizen or resident of the United States, (ii) a partnership or corporation created or organized in or under the laws of the United States, or under the laws of any State thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, (iv) a trust if either (x) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. Persons have the authority to control all substantial decisions of such trust or (y) the trust has a valid election in effect to be treated as a U.S. Person for U.S. federal income tax purposes or (v) any other person or entity that is treated for U.S. federal income tax purposes as if it were one of the foregoing.

Taxation of Distributions. Subject to the discussions below relating to the potential application of the CFC, RPII and PFIC rules, cash distributions made with respect to our shares will constitute dividends for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits of Maiden Holdings (as computed using U.S. tax principles). To the extent such distributions exceed Maiden Holdings' earnings and profits, they will be treated first as a return of the shareholder's basis in their shares to the extent thereof, and then as gain from the sale of a capital asset. Dividends paid by us to corporate holders will not be eligible for the dividends-received deduction. If we successfully list our common shares on the NASDAQ Global Market or the New York Stock Exchange, we believe dividends paid by us on our common shares before 2011 to non-corporate holders will be eligible for reduced rates of tax up to a maximum of 15% as qualified dividend income, provided that we are not a PFIC and certain other requirements, including stock holding period requirements, are satisfied.

Classification of Maiden Holdings or Maiden Insurance as CFCs. Each 10% U.S. Shareholder of a non-U.S. corporation that is a CFC for an uninterrupted period of 30 days or more during a taxable year, and who owns shares in the CFC, directly or indirectly through non-U.S. entities, on the last day of the CFC's taxable year, must include in its gross income for U.S. federal income tax purposes its pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. "Subpart F income" of a non-U.S. insurance corporation typically includes foreign personal holding company income (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income). A non-U.S. corporation is considered a CFC if 10% U.S. Shareholders own (directly, indirectly through non-U.S. entities or by attribution by application of the constructive ownership rules of section 958(b) of the Code (that is, "constructively")) more than 50% of the total combined voting power of all classes of voting stock of such non-U.S. corporation, or more than 50% of the total value of all stock of such corporation on any day of the taxable year of such corporation, which we refer to as the 50% CFC Test. For purposes of taking into account insurance income, a CFC also includes a non-U.S. insurance company in which more than 25% of the total combined voting power of all classes of stock or more than 25% of the total value of all stock is owned (directly, indirectly through non-U.S. entities or constructively) by 10% U.S. Shareholders on any day of the taxable year of such corporation, which we refer to as the 25% CFC Test, if the gross amount of premiums or other consideration for the reinsurance or the issuing of insurance or annuity contracts (other than certain insurance or reinsurance related to same country risks written by certain insurance companies not applicable here) exceeds 75% of the gross amount of all premiums or other consideration in respect of all risks. Moreover, Maiden Insurance may be characterized as a CFC even if, based on the nominal voting power attributable to its shares, it avoids CFC characterization under the 50% CFC Test in the case of Maiden Holdings and the 25% CFC Test in the case of Maiden Insurance if, based on the facts and circumstances, U.S. Persons who are not 10% U.S. Shareholders based on the nominal voting power attributable to the shares of Maiden Holdings or Maiden Insurance owned by such U.S. Persons exercise control over Maiden Holdings or Maiden Insurance disproportionate to their nominal voting power in such a manner that Maiden Holdings or Maiden Insurance should be considered a CFC under the 50% CFC Test or 25% CFC Test, as applicable.

Because George Karfunkel, Michael Karfunkel and Barry Zyskind owned all of the shares of Maiden Holdings prior to July 3, 2007, Maiden Holdings was a CFC during the period of 2007 prior to July 3, 2007. Following the offering, Barry Zyskind may be treated as a 10% U.S. Shareholder of Maiden Holdings and Maiden Insurance as a result of his seat on the board of Maiden Holdings. We believe, subject to the discussion below, that after the closing of this offering, because of the anticipated dispersion of our share ownership, provisions in our organizational documents that limit voting power (these provisions are described in "Description of Share Capital") and other factors, no U.S. Person who acquires our shares in this offering directly or indirectly through non-U.S. entities and that did not own (directly, indirectly through non-U.S. entities, or "constructively") shares of Maiden Holdings or Maiden Insurance prior to this offering should be treated as owning (directly, indirectly through non-U.S. entities or "constructively") 10% or more of the total voting power of all classes of shares of Maiden Holdings or Maiden Insurance. However, the IRS could challenge the effectiveness of the provisions in our organizational documents and a court could sustain such a challenge. Accordingly, no assurance can be given that a U.S. Person who owns our shares other than Barry Zyskind will not be characterized as a 10% U.S. Shareholder.

The RPII CFC Provisions. The following discussion generally is applicable only if either the 20% Gross Income Exception (as defined below) or the 20% Ownership Exception (as defined below) is not met. The following discussion generally would not apply for any tax year in which Maiden Insurance meets the 20% Gross Income Exception or the 20% Ownership Exception. Although we cannot be certain, we believe that Maiden Insurance should meet either the 20% Ownership Exception or the 20% Gross Income Exception for each tax year for the foreseeable future.

RPII is any insurance income (as defined below) attributable to policies of insurance or reinsurance with respect to which the person (directly or indirectly) insured is a RPII shareholder (as defined below) or a related person (as defined below) to such RPII shareholder. In general, and subject to certain limitations, "insurance income" is income (including premium and investment income) attributable to the issuing of any insurance or reinsurance contract which would be taxed under the portions of the Code relating to insurance companies if the income were the income of a domestic insurance company. The term "RPII shareholder" means any U.S. Person who owns (directly or indirectly through non-U.S. entities) any amount of Maiden Holdings' or Maiden Insurance's shares. Generally, the term "related person" for this purpose means someone who controls or is controlled by the RPII shareholder or someone who is controlled by the same person or persons which control the RPII shareholder. Control is measured by either more than 50% in value or more than 50% in voting power of stock applying certain constructive ownership principles. A corporation's pension plan is ordinarily not a related person with respect to the corporation unless the pension plan owns, directly or indirectly through the application of certain constructive ownership rules, more than 50%, measured by vote or value, of the stock of the corporation. Maiden Insurance will be treated as a CFC under the RPII provisions if RPII shareholders are treated as owning (directly, indirectly through non-U.S. entities or constructively) 25% or more of the shares of Maiden Insurance by vote or value.

RPII Exceptions. The special RPII rules do not apply to Maiden Insurance if (i) direct and indirect insureds and persons related to such insureds, whether or not U.S. Persons, are treated as owning (directly or indirectly through entities) less than 20% of the voting power and less than 20% of the value of the shares of Maiden Insurance, which we refer to as the 20% Ownership Exception, (ii) RPII, determined on a gross basis, is less than 20% of the gross insurance income of Maiden Insurance for the taxable year, which we refer to as the 20% Gross Income Exception, (iii) Maiden Insurance elects to be taxed on its RPII as if the RPII were effectively connected with the conduct of a U.S. trade or business and to waive all treaty benefits with respect to RPII and meet certain other requirements or (iv) Maiden Insurance elects to be treated as a U.S. corporation and waives all treaty benefits and meets certain other requirements. Maiden Insurance does not intend to make these elections. Where none of these exceptions applies to Maiden Insurance, each U.S. Person owning directly or indirectly through non-U.S. entities, any shares in Maiden Holdings (and therefore indirectly, in Maiden Insurance) on the last day of Maiden Insurance's taxable year will be required to include in its gross income for U.S. federal income tax purposes its share of the RPII of Maiden Insurance for the portion of the taxable year during which Maiden Insurance was a CFC under the RPII provisions, determined as if all such RPII were distributed proportionately only to such U.S. Persons at that date, but limited by each such U.S. Person's share of Maiden Insurance's current-year earnings and profits as reduced by the U.S. Person's share, if any, of certain prior-year deficits in earnings and profits. Maiden Insurance intends to operate in a manner that is intended to ensure that it qualifies for either the 20% Gross Income Exception or the 20% Ownership Exception; however, it is possible that we will not be successful in qualifying under these exceptions.

Computation of RPII. In order to determine how much RPII Maiden Insurance has earned in each taxable year (for purposes of providing this information to RPII shareholders), Maiden Insurance may obtain and rely upon information from its insureds and reinsureds to determine whether any of the insureds, reinsureds or persons related thereto own (directly or indirectly through non-U.S. entities) shares of Maiden Insurance and are U.S. Persons. Maiden Insurance may not be able to determine whether any of its underlying direct or indirect insureds are RPII shareholders or related persons to such RPII shareholders. Consequently, Maiden Insurance may not be able to determine accurately the gross amount of RPII it earns in a given taxable year or whether either the 20% Gross Income Exception or the 20% Ownership Exception is met. For any year in which the 20% Ownership Exception does not apply and the 20% Gross Income Exception is not met, Maiden Holdings may also seek information from its shareholders as to whether beneficial owners of Maiden Insurance shares at the end of the year are U.S. Persons so that the RPII may be determined and apportioned among such persons; to the extent Maiden Holdings is unable to determine whether a beneficial owner of Maiden Insurance shares is a U.S. Person, Maiden Holdings may assume that such owner is not a U.S. Person, thereby increasing the per share RPII amount for all known RPII shareholders.

If, as expected, Maiden Insurance meets the 20% Ownership Exception or 20% Gross Income Exception for a taxable year, RPII shareholders will not be required to include RPII in their taxable income. The amount of RPII includible in the income of a RPII shareholder is based upon the net RPII income for the year after deducting related expenses such as losses, loss reserves and operating expenses.

Apportionment of RPII to U.S. Persons. Every RPII shareholder who directly or indirectly owns shares of Maiden Insurance on the last day of any taxable year of Maiden Insurance in which the 20% Ownership Exception does not apply to Maiden Insurance and the 20% Gross Income Exception is not met should expect that for such year the RPII Shareholder will be required to include in gross income its share of Maiden Insurance's RPII for the portion of the taxable year during which Maiden Insurance was a CFC under the RPII provisions, whether or not distributed, even though such shareholders may not have owned the shares throughout such period. A RPII shareholder who owns Maiden Insurance shares during such taxable year but not on the last day of the taxable year is not required to include in gross income any part of Maiden Insurance's RPII.

Uncertainty as to Application of RPII. The RPII provisions have never been interpreted by the courts or the U.S. Treasury Department in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the RPII provisions by the IRS, the courts or otherwise, might have retroactive effect. These provisions include the grant of authority to the U.S. Treasury Department to prescribe "such regulations as may be necessary to carry out the purpose of this subsection including ... regulations preventing the avoidance of this subsection through cross insurance arrangements or otherwise." Accordingly, the meaning of the RPII provisions and the application thereof to Maiden Insurance is uncertain. In addition, we cannot be certain that the amount of RPII or the amounts of the RPII inclusions for any particular RPII shareholder, if any, will not be subject to adjustment based upon subsequent IRS examination. Any prospective investors considering an investment in our shares should consult his tax advisor as to the effects of these uncertainties.

Basis Adjustments. A U.S. shareholder's tax basis in its shares will be increased by the amount of any subpart F income, including any RPII, included in income by the U.S. shareholder. Any distributions made by Maiden Holdings out of previously taxed subpart F income, including RPII income, will be exempt from further U.S. income tax in the hands of the U.S. shareholder. The U.S. shareholder's tax basis in its shares will be reduced by the amount of any distributions by Maiden Holdings that are excluded from income under this rule.

Information Reporting. Under certain circumstances, U.S. Persons who own (directly or indirectly) shares in a non-U.S. corporation are required to file IRS Form 5471 with their U.S. federal income tax returns. Generally, information reporting on IRS Form 5471 is required by (i) a person who is treated as a RPII shareholder, (ii) a 10% U.S. Shareholder of a non-U.S. corporation that is a CFC for an uninterrupted period of 30 days or more during any tax year of the non-U.S. corporation, and who owned the stock on the last day of that year and (iii) under certain circumstances, a U.S. Person who acquires stock in a non-U.S. corporation and as a result thereof owns 10% or more of the voting power or value of such non-U.S. corporation, whether or not such non-U.S. corporation is a CFC. For any taxable year in which Maiden Holdings determines that the 20% Gross Income Exception is not met and the 20% Ownership Exception does not apply, Maiden Holdings will provide to all U.S. Persons registered as shareholders of its shares a completed IRS Form 5471 or the relevant information necessary to complete the form. Failure to file IRS Form 5471 may result in penalties.

Tax-Exempt Shareholders. Tax-exempt entities will generally be required to treat certain subpart F insurance income, including RPII, that is includible in income by the tax-exempt entity as unrelated business taxable income. Prospective investors that are tax exempt entities are urged to consult their tax advisors as to the potential impact of the unrelated business taxable income provisions of the Code. A tax-exempt organization that is treated as a 10% U.S. Shareholder or a RPII shareholder also must file IRS Form 5471 in the circumstances described above.

Dispositions of Shares. Subject to the discussions below relating to the potential application of the Code section 1248 and PFIC rules, U.S. holders of our shares generally should recognize capital gain or loss for U.S. federal income tax purposes on the sale, exchange or other disposition of our shares in the same manner as on the sale, exchange or other disposition of any other shares held as capital assets. If the holding period for the shares exceeds one year, any gain will be subject to tax at a current maximum marginal tax rate of 15% for individuals and certain other non-corporate shareholders and 35% for corporations. Moreover, gain, if any, generally will be U.S. source gain and will generally constitute "passive income" for foreign tax credit limitation purposes.

Code section 1248 provides that if a U.S. Person sells or exchanges stock in a non-U.S. corporation and such person owned, directly, indirectly through certain non-U.S. entities or constructively, 10% or more of the voting power of the corporation at any time during the five-year period ending on the date of disposition when the corporation was a CFC, any gain from the sale or exchange of the shares will be treated as a dividend to the extent of the CFC's earnings and profits (determined under U.S. federal income tax principles) during the period that the shareholder held the shares and while the corporation was a CFC (with certain adjustments). We believe that, because of the anticipated dispersion of our share ownership, provisions in our organizational documents that limit voting power and other factors, no U.S. Person who acquires shares in this offering directly or indirectly through non-U.S. entities and that did not own (directly, indirectly through non-U.S. entities, or "constructively") shares of Maiden Holdings prior to this offering should be treated as owning (directly, indirectly through non-U.S. entities or "constructively") 10% or more of the total voting power of all classes of shares of Maiden Holdings; to the extent this is the case, the application of Code section 1248 under the regular CFC rules should not apply to dispositions of our shares. It is possible, however, that the IRS could challenge the effectiveness of these provisions and that a court could sustain such a challenge. A 10% U.S. Shareholder may in certain circumstances be required to report a disposition of shares of a CFC by attaching IRS Form 5471 to the U.S. federal income tax or information return that it would normally file for the taxable year in which the disposition occurs. In the event this is determined necessary, Maiden Holdings will provide a completed IRS Form 5471 or the relevant information necessary to complete the Form.

Code section 1248 also applies to the sale or exchange of shares in a non-U.S. corporation if the non-U.S. corporation would be treated as a CFC for RPII purposes regardless of whether the shareholder is a 10% U.S. Shareholder or whether the 20% Gross Income Exception is met or the 20% Ownership Exception applies. Existing proposed regulations do not address whether Code section 1248 would apply if a non-U.S. corporation is not a CFC but the non-U.S. corporation has a subsidiary that is a CFC and that would be taxed as an insurance company if it were a domestic corporation. We believe, however, that this application of Code section 1248 under the RPII rules should not apply to dispositions of our shares because Maiden Holdings will not be directly engaged in the insurance business. We cannot be certain, however, that the IRS will not interpret the proposed regulations in a contrary manner or that the U.S. Treasury Department will not amend the proposed regulations to provide that these rules will apply to dispositions of our shares. Prospective investors should consult their tax advisors regarding the effects of these rules on a disposition of our shares.

Passive Foreign Investment Companies. In general, a non-U.S. corporation will be a PFIC during a given year if (i) 75% or more of its gross income constitutes "passive income," or the "75% test" or (ii) 50% or more of its assets produce (or are held for the production of) passive income, or the "50% test". A non-U.S. corporation will not be treated as a PFIC, however, for its first taxable year in which it has gross income ("Start-up Year"), provided (i) no "predecessor" of the non-U.S. corporation was a PFIC, (ii) it can be established that the non-U.S. corporation will not be a PFIC for either of the first two taxable years following the Start-up Year and (iii) the non-U.S. corporation is not a PFIC for either of such two years.

If Maiden Holdings were characterized as a PFIC during a given year, each U.S. Person holding our shares would be subject to a penalty tax at the time of the sale at a gain of, or receipt of an "excess distribution" with respect to, their shares, unless such person is a 10% U.S. Shareholder in a taxable year in which Maiden Holdings is a CFC or made a "qualified electing fund election." It is uncertain that Maiden Holdings would be able to provide its shareholders with the information necessary for a U.S. Person to make a qualified electing fund election. In addition, if Maiden Holdings were considered a PFIC, upon the death of any U.S. individual owning shares, such individual's heirs or estate would not be entitled to a "step-up" in the basis of their shares that might otherwise be available under U.S. federal income tax laws. In general, a shareholder receives an "excess distribution" if the amount of the distribution is more than 125% of the average distribution with respect to the shares during the three preceding taxable years (or shorter period during which the taxpayer held the shares). In general, the penalty tax is equivalent to the generally applicable U.S. federal income tax and an interest charge on taxes that are deemed due during the period the shareholder owned the shares, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the shares was taken in equal portion at the highest applicable tax rate on ordinary income throughout the shareholder's period of ownership. In addition, a distribution paid by a PFIC to U.S. shareholders that is characterized as a dividend and is not characterized as an excess distribution would not be eligible for a reduced rate of tax as qualified dividend income.

For the above purposes, passive income generally includes interest, dividends, annuities and other investment income. The PFIC rules provide that income "derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business ... is not treated as passive income." The PFIC provisions also contain a look-through rule under which a non-U.S. corporation shall be treated as if it "received directly its proportionate share of the income ..." and as if it "held its proportionate share of the assets ..." of any other corporation in which it owns at least 25% of the value of the stock. Under the look-through rule, Maiden Holdings should be deemed to own its proportionate share of the assets and to have received its proportionate share of the income of Maiden Insurance for purposes of the 75% test and the 50% test. We expect that the income and assets of Maiden Holdings other than the income generated by Maiden Insurance and the assets held by Maiden Insurance will be *de minimis* in each year of operations with respect to the overall income and assets of Maiden Holdings and Maiden Insurance.

The insurance income exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. We expect, for purposes of the PFIC rules, that Maiden Insurance will be predominantly engaged in the active conduct of an insurance business and is unlikely to have financial reserves in excess of the reasonable needs of its insurance business in each year of operations. Accordingly, the Insurance Company Exception should apply to Maiden Insurance, and none of the income or assets of Maiden Insurance should be treated as passive. As a result, based upon the look-through rule, we believe that Maiden Holdings should not be and we currently do not expect Maiden Holdings should be treated as a PFIC, however, we cannot assure that the IRS will not successfully conclude otherwise, if, for example, Maiden Insurance is not able to expand its reinsurance business beyond its agreement with AmTrust's insurance companies, or if Mr. Caviet and other similarly qualified individuals do not become full-time employees of Maiden Insurance. Further, we cannot be certain that we will not be characterized as a PFIC, as there are currently no regulations regarding the application of the PFIC provisions to an insurance company and new regulations or pronouncements interpreting or clarifying these rules may be forthcoming. Prospective investors should consult their tax advisor as to the effects of the PFIC rules.

The IRS, in Revenue Ruling 2005-40, took the position that a transaction between an insurer and an insured did not provide risk distribution, and thus did not constitute insurance for U.S. federal income tax purposes, when the insured provided over 90% of the insurer's premiums for the year. We do not believe that IRS would attempt to apply such a rule to quota share reinsurance transactions in which the ceding company cedes a significant number of unrelated risks to the reinsurer, even if the ceding company provided substantially all of the reinsurance business, nor do we believe the IRS would be successful if it took such a position. Nevertheless, if the IRS successfully asserted such a position and transactions between AmTrust and its affiliates on one hand and Maiden Insurance on the other hand were not considered insurance, Maiden Insurance likely would not qualify for the insurance income exception, in which case Maiden Holdings could be considered a PFIC. Further, it is possible that Maiden Insurance may not qualify for the insurance income exception to the PFIC rules for any taxable year in which its only business was the reinsurance of affiliates of AmTrust.

Foreign Tax Credit. If U.S. Persons own a majority of our shares, only a portion of the current income inclusions, if any, under the CFC, RPII and PFIC rules and of dividends paid by us (including any gain from the sale of shares that is treated as a dividend under section 1248 of the Code) will be treated as foreign source income for purposes of computing a shareholder's U.S. foreign tax credit limitations. We will consider providing shareholders with information regarding the portion of such amounts constituting foreign source income to the extent such information is reasonably available. It is also likely that substantially all of the subpart F income, RPII and dividends that are foreign source income will constitute either "passive" or "general" income. Thus, it may not be possible for most shareholders to utilize excess foreign tax credits to reduce U.S. tax on such income.

Information Reporting and Backup Withholding on Distributions and Disposition Proceeds. Information returns may be filed with the IRS in connection with distributions on our shares and the proceeds from a sale or other disposition of the shares unless the holder of the shares establishes an exemption from the information reporting rules. A holder of shares that does not establish such an exemption may be subject to U.S. backup withholding tax on these payments if the holder is not a corporation or non-U.S. Person or fails to provide its taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Person will be allowed as a credit against the U.S. Person's U.S. federal income tax liability and may entitle the U.S. Person to a refund, provided that the required information is furnished to the IRS.

Proposed U.S. Tax Legislation. Legislation has been introduced in the U.S. Congress intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the United States but have certain U.S. connections. It is possible that legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse impact on us or our shareholders. For example, legislation has been introduced in Congress that would, if enacted, deny "qualified dividend income" treatment to amounts paid by any corporation organized under the laws of a foreign country which does not have a comprehensive income tax system, such as Bermuda. It is possible that this legislative proposal, if enacted, could apply retroactively. Therefore, depending on whether, when and in what form this legislative proposal is enacted, we cannot assure you that any dividends paid by us in the future would qualify for reduced rates of tax.

Additionally, the U.S. federal income tax laws and interpretations regarding whether a company is engaged in a trade or business within the United States or is a PFIC, or whether U.S. Persons would be required to include in their gross income the subpart F income or the RPII of a CFC, are subject to change, possibly on a retroactive basis. There are currently no regulations regarding the application of the PFIC rules to insurance companies and the regulations regarding RPII are still in proposed form. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming. We cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

SHARES ELIGIBLE FOR FUTURE SALE

We have 59,550,000 common shares outstanding, consisting of (1) 51,750,000 common shares sold in the private offering, and (2) 7,800,000 common shares issued to our Founding Shareholders in connection with our formation and capitalization, prior to the private offering. We are registering up to 59,550,000 shares pursuant to the registration statement, of which this prospectus is a part. We have also granted stock options to purchase an aggregate of 461,000 of our common shares to our non-employee directors and to some officers of our company. In addition, we issued warrants to our Founding Shareholders to purchase up to 4,050,000 of our common shares, which are described under "Certain Relationships and Related Transactions — Sponsor and Related Agreements."

All of our issued common shares are "restricted securities" as that term is defined in Rule 144 under the Securities Act and, until this Registration Statement is declared effective, may not be sold in the absence of registration under the Securities Act (which is expected to be the case pursuant to the registration rights agreement that requires us to file a registration statement within 90 days of the closing of the private offering) unless an exemption from registration is available, including exemptions contained in Rule 144, which are summarized below.

Rule 144

In general, under Rule 144 as currently in effect, if one year has elapsed since the date of acquisition of restricted common shares from us or any of our affiliates and we have been a public reporting company under the Exchange Act for at least 90 days, the holder of such restricted common shares can sell the shares, provided that the number of shares sold by such person within any three-month period cannot exceed the greater of:

- 1% of the total number of our common shares then outstanding; or

- the average weekly trading volume of our common shares during the four calendar weeks preceding the date on which notice on Form 144 with respect to the sale is filed with the SEC.

Sales under Rule 144 are also subject to manner of sale provisions, notice requirements and to the availability of current public information about us. If two years have elapsed since the date of the acquisition of restricted common shares from us or any of our affiliates and the holder is not one of our affiliates at any time during the three months preceding the proposed sale, such person can sell such shares in the public market under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements.

No assurance can be given as to (1) the likelihood of an active market for our common shares developing, (2) the liquidity of any such market, (3) the ability of the shareholders to sell the shares or (4) the prices that shareholders may obtain for any of the shares. No prediction can be made as to the effect, if any, that future sales of shares or the availability of shares for future sale will have on the market price prevailing from time to time. Sales of substantial amounts of our common shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the common shares. See "Risk Factors — Risks Related to Our Shares."

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding the proposed sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner who was not an affiliate, is entitled to sell the shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Lock-Up Agreements

All of our directors, executive officers and Founding Shareholders have agreed to be restricted in their ability to sell, pledge or otherwise dispose of or transfer their common shares in our company for a period beginning on the completion of the private offering until 180 days following the effective date of our shelf registration statement of which this prospectus is a part. In addition, upon an initial public offering by us, our directors, executive officers and our Founding Shareholders will not be able to sell our common shares for a period of 90 days following completion of the initial public offering.

In addition, we agreed, subject to various exceptions (including an initial public offering of common shares by us), not to sell or issue any common shares or any securities convertible into or exchangeable for common shares, or file any registration statement with the SEC, until 180 days after the private offering, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc.

For a description of other restrictions on transfers and ownership of our common shares held by certain of our shareholders, see “Description of Share Capital” and “Plan of Distribution.”

SELLING SHAREHOLDERS

The selling shareholders may from time to time offer and sell pursuant to this prospectus any or all of the common shares set forth below. When we refer to the selling shareholders in this prospectus, we mean those persons listed in the table below, as well as the permitted transferees, pledgees, donees, assignees, successors and others who later come to hold any of the selling shareholders' interests other than through a public sale.

The table below is based on the information provided to us by the selling shareholders and sets forth the name of each selling shareholder and the number of common shares that each selling shareholder may offer pursuant to this prospectus. Except as noted below, none of the selling shareholders has, or within the past three years has had, any material relationship with us or any of our affiliates.

Based on the information provided to us by the selling shareholders, assuming that the selling shareholders sell all of the common shares beneficially owned by them that have been registered by us and do not acquire any additional common shares during the offering, each selling shareholder will not beneficially own any common shares other than the common shares appearing in the column entitled "Beneficial ownership after offering." We cannot advise you as to whether the selling shareholders will in fact sell any or all of such common shares. In addition, the selling shareholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, the common shares in transactions exempt from the registration requirements of the Securities Act after the date on which they provided the information set forth in the table below.

	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum	Beneficial ownership after offering(2)	
Selling Shareholders	Shares(1)	Percentage of class	number that may be sold)	Shares	Percentage of class
Aaron Wolfson	20,000	*	20,000	—	—
Abraham A. Whittles and Karen G. Whittles, TTEEs, Wire Family Trust	2,500	*	2,500	—	—
Alexandra Global Master Fund Ltd (3)	200,000	*	200,000	—	—
Allied Funding Inc. (4)	10,000	*	10,000	—	—
Ambrosio Blanco	571	*	571	—	—
American Durham LP (5)	107,000	*	107,000	—	—
AMP Enhanced Index International Share Fund (6)	31,500	*	31,500	—	—
Andrew F. Jose	5,000	*	5,000	—	—
Angela Marie & Jerry Tegan, JTWROS (7)	5,000	*	5,000	—	—
Anthony J. & Patricia Landi, JTWROS	1,600	*	1,600	—	—
Anthony J. Landi	800	*	800	—	—
Apple Ridge Partners LP (8)	50,000	*	50,000	—	—
Ascend Partners Fund I Ltd (9)	11,745	*	11,745	—	—
Ascend Partners Fund II BPO Ltd (9)	15,390	*	15,390	—	—
Ascend Partners Fund II LP (9)	10,095	*	10,095	—	—
Ascend Partners Fund II Ltd (9)	27,960	*	27,960	—	—
Banque Privee Edmond de Rothschild - Europe (10)	100,000	*	100,000	—	—
Barry D. Zyskind (11)	3,950,000	6.49	2,800,000		
Barry S. & Esther Karfunkel (12)	10,000	*	10,000	—	—
Bay Pond Investors (Bermuda) LP (13)	304,300	*	304,300	—	—
Bay Pond Partners (13)	954,400	1.60	954,400	—	—
Berencourt Multi-Strategy Enhanced Dedicated Fund (14)	107,692	*	107,692	—	—
Berencourt Multi-Strategy Master Ltd (14)	846,154	1.42	846,154	—	—
Blueprint Partners LP (15)	15,000	*	15,000	—	—
Boston Partners All Cap Value Fund (16)	3,315	*	3,315	—	—
BPF Brood (17)	13,555	*	13,555	—	—
Brad Marshall-Inman SEP IRA	714	*	714	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
Bruce & Kathleen Saulnier (18)	5,000	*	5,000	—	—
Brunswick Master Pension Trust (16)	23,525	*	23,525	—	—
Burlingame Equity Investors (Offshore) Ltd (19)	44,561	*	44,561	—	—
Burlingame Equity Investors II LP (19)	12,958	*	12,958	—	—
Burlingame Equity Investors LP (19)	92,481	*	92,481	—	—
Calm Waters Partnership (20)	100,000	*	100,000	—	—
Canyon Balanced Equity Master Fund, Ltd (21)	198,000	*	198,000	—	—
Canyon Value Realization Fund (Cayman), Ltd (21)	1,089,000	1.83	1,089,000	—	—
Canyon Value Realization Fund, LP (21)	378,000	*	378,000	—	—
Canyon Value Realization MAC 18 Ltd. (21)	54,000	*	54,000	—	—
Capital Ventures International (22)	450,000	*	450,000	—	—
Charles & Maryann Post	5,000	*	5,000	—	—
Charles H. Miller	4,500	*	4,500	—	—
Charles K. Nulsen, III	2,500	*	2,500	—	—
Cheyne Special Situations Fund LP (23)	2,350,000	3.95	2,350,000	—	—
Christopher Washburn	5,000	*	5,000	—	—
Cindu International Pension Fund (16)	3,295	*	3,295	—	—
Citi Canyon Ltd.	18,000	*	18,000	—	—
Clough Global Allocation Fund (24)	23,900	*	23,900	—	—
Clough Global Equity Fund (24)	40,100	*	40,100	—	—
Clough Investment Partners I LP (24)	22,700	*	22,700	—	—
Clough Offshore Fund Ltd (24)	12,400	*	12,400	—	—
Clough Opportunities Equity Fund (24)	100,900	*	100,900	—	—
CNF Investments II LLC (25)	20,000	*	20,000	—	—
Corsair Capital Investors Ltd (26)	61,656	*	61,656	—	—
Corsair Capital Partners 100 LP (26)	30,044	*	30,044	—	—
Corsair Capital Partners LP (26)	566,188	*	566,188	—	—
Corsair Long Short International Ltd (26)	6,090	*	6,090	—	—
Corsair Select LP (26)	336,022	*	336,022	—	—
Cotran Investments Ltd (113)	20,000	*	20,000	—	—
Cottage Health System (16)	1,610	*	1,610	—	—
Craig A. White	100,000	*	100,000	—	—
Cumber International SA	210,907	*	210,907	—	—
Cumberland Alpha Partners LP	525	*	525	—	—
Cumberland Benchmarked Partners LP	541,509	*	541,509	—	—
Cumberland Long Partners LP	48,671	*	48,671	—	—
Cumberland Partners	845,761	1.42	845,761	—	—
Daniel Turin (27)	1,000	*	1,000	—	—
Daniel W. & Constance R. Huthwaite, JTWROS	2,500	*	2,500	—	—
Daryll Marshall-Inman SEP IRA	714	*	714	—	—
David A. & Doris Mortman, JTWROS (28)	2,000	*	2,000	—	—
David A. Hutzler (29)	8,400	*	8,400	—	—
David A. Lyons (30)	70,000	*	70,000	—	—
David R. Eidelman	5,000	*	5,000	—	—
David Stevenson	357	*	357	—	—
Delaware Group Equity Funds III (31)	500,000	*	500,000	—	—
Delta Institutional LP (32)	880,700	1.48	880,700	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
Delta Offshore Ltd (32)	1,406,600	2.36	1,406,600	—	—
Delta Onshore LP (32)	96,000	*	96,000	—	—
Delta Pleiades LP (32)	116,700	*	116,700	—	—
Donald T. DeCarlo (33)	10,000	*	10,000	—	—
Douglas & Gail Manuel, JTWROS	3,000	*	3,000	—	—
Douglas H. McCorkindale	6,100	*	6,100	—	—
Dover Creek Capital LLC (34)	50,000	*	50,000	—	—
Doyle Family Trust (35)	500	*	500	—	—
Drake Associates LP (36)	40,000	*	40,000	—	—
Durga C. Gaviola	10,000	*	10,000	—	—
E. Laurence White, III	500	*	500	—	—
Edward B. Lee (37)	3,000	*	3,000	—	—
EJF Crossover Master Fund LP (38)	150,000	*	150,000	—	—
EL Equities LLC (39)	40,000	*	40,000	—	—
Electrical Workers Pension Funds Part A (16)	1,825	*	1,825	—	—
Electrical Workers Pension Funds Part B (16)	1,415	*	1,415	—	—
Electrical Workers Pension Funds Part C (16)	690	*	690	—	—
Elizabeth Sexworth, Rollover IRA	430	*	430	—	—
Ellerston Capital Limited (40)	200,000	*	200,000	—	—
Elliot International LP (41)	1,500,000	2.52	1,500,000	—	—
Emerson Electric Company (16)	36,505	*	36,505	—	—
Emerson Family Foundation (42)	45,000	*	45,000	—	—
Emerson Partners (42)	45,000	*	45,000	—	—
Endeavor Asset Management LP (43)	5,000	*	5,000	—	—
Endurance Fund (44)	15,000	*	15,000	—	—
Eos Partners LP (45)	100,000	*	100,000	—	—
Eric R. Kaufman (28)	2,000	*	2,000	—	—
Eugene L & Frances L. Gazza, TIC (28)	2,500	*	2,500	—	—
Evan Julber IRA	10,000	*	10,000	—	—
Far West Capital Partners LP (44)	216,000	*	216,000	—	—
Farvane Limited	3,040	*	3,040	—	—
Felix Harke SEP IRA	714	*	714	—	—
Fereydoon & Catherine Zohdi (29)	2,300	*	2,300	—	—
Fidelity Advisor Series I: Fidelity Advisor Balanced Fund (46)	52,100	*	52,100	—	—
Fidelity Advisor Series I: Fidelity Advisor Value Strategies Fund (46)	89,600	*	89,600	—	—
Fidelity Advisor Series II: Fidelity Advisor Value Fund (46)	6,800	*	6,800	—	—
Fidelity Capital Trust: Fidelity Value Fund (46)	833,900	1.40	833,900	—	—
Fidelity Puritan Trust: Fidelity Balanced Fund (46)	954,900	1.60	954,900	—	—
Fidelity Sect Portfolios: Insurance Portfolio (46)	9,200	*	9,200	—	—
Financial Stocks Capital Partners IV LP (47)	1,000,000	1.68	1,000,000	—	—
First Financial Fund, Inc. (13)	377,000	*	377,000	—	—
Flagg Street Offshore LP (48)	117,500	*	117,500	—	—
Flagg Street Partners Qualified LP (48)	82,500	*	82,500	—	—
Fleet Maritime, Inc	6,133	*	6,133	—	—
Fleet Maritime, Inc	53,621	*	53,621	—	—
Fort Mason Master LP (49)	187,820	*	187,820	—	—
Fort Mason Partners LP (49)	12,180	*	12,180	—	—
Frank & Cathy Greek, JTWROS	13,150	*	13,150	—	—
G. Rogin and A. Callahan, TTEES, Gilbert L. Rogin 2006 Revocable Trust (28)	1,000	*	1,000	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
Geddes and Company	20,000	*	20,000	—	—
George Karfunkel (50)	3,950,000	6.49	2,800,000		
George Weiss Associates Inc. Profit Sharing Plan (51)	150,000	*	150,000	—	—
GF Investments Corp (16)	1,815	*	1,815	—	—
GLG Financial Fund (52)	80,000	*	80,000	—	—
GMI Master Retirement Trust (16)	40,255	*	40,255	—	—
GPC XLII LLC (53)	100,000	*	100,000	—	—
Gracie Capital International II Ltd (53)	121,900	*	121,900	—	—
Gracie Capital International Ltd (53)	451,950	*	451,950	—	—
Gracie Capital LP (53)	546,250	*	546,250	—	—
Gracie Capital LP II (53)	29,900	*	29,900	—	—
Greater Rochester Health Foundation	3,130	*	3,130	—	—
Green Earth Investments LLC	7,500	*	7,500	—	—
Green Forest Investments Ltd	1,222	*	1,222	—	—
Green Forest Investments Ltd	14,101	*	14,101	—	—
Guggenheim Portfolio Co. XXIII LLC	9,810	*	9,810	—	—
H&H Associates Ltd (54)	25,000	*	25,000	—	—
H. Jay Eshelman (28)	1,000	*	1,000	—	—
Hagerstown Motor Carriers and Teamsters Pension Plan (16)	2,305	*	2,305	—	—
Harry Schlacter (55)	2,000	*	2,000	—	—
Harvard Investments Inc. (56)	5,000	*	5,000	—	—
Harvest Capital LP (57)	15,360	*	15,360	—	—
Harvest Master Enhanced Ltd (57)	56,580	*	56,580	—	—
Harvest Offshore Investors Ltd (57)	28,060	*	28,060	—	—
Henderson North American Multi-Strategy Equity Fund (6)	24,000	*	24,000	—	—
Hendersons Global Multi Strategy Equity Fund (6)	94,500	*	94,500	—	—
Henry Ford Health Care Corp. Master Retirement Trust (16)	3,465	*	3,465	—	—
Henry Ford Health Systems (16)	4,330	*	4,330	—	—
Henry Rothman	5,000	*	5,000	—	—
Herbert J. Lemmer (58)	1,000	*	1,000	—	—
HFR Asset Management LLC (59)	25,000	*	25,000	—	—
HFR HE Platinum Master Trust (59)	45,268	*	45,268	—	—
HFR HE Soundpost Master Trust (59)	14,860	*	14,860	—	—
Highbridge Event Driven/Relative Value Fund LP (60)	77,476	*	77,476	—	—
Highbridge Event Driven/Relative Value Fund Ltd (60)	465,024	*	465,024	—	—
Highbridge International, LLC (60)	1,207,500	2.03	1,207,500	—	—
Howard C. Bluver, IRA	2,000	*	2,000	—	—
Institutional Benchmarks Series (Master Feeder) Limited in respect of Centaur Series (61)	18,000	*	18,000	—	—
Institutional Benchmarks Series (MF) Ltd in respect of Canopus Series (61)	54,000	*	54,000	—	—
International Durham Ltd (5)	564,000	*	564,000	—	—
Investcorp Event Fund Ltd (14)	138,462	*	138,462	—	—
IOU Limited Partnership (51)	150,000	*	150,000	—	—
Ironworkers District Council of New England Pension (16)	3,635	*	3,635	—	—
J. Barton Elliott, Jr. (28)	1,000	*	1,000	—	—
J. Steven Emerson IRA R/O II, Bear Stearns Securities Corp, Custodian	60,000	*	60,000	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
J. Steven Emerson ROTH IRA, Bear Stearns Securities Corp, Custodian	225,000	*	225,000	—	—
J.D. Murphy, Jr.	2,500	*	2,500	—	—
Jabre Capital Partners SA (62)	400,000	*	400,000	—	—
Jacqueline Fowler	4,500	*	4,500	—	—
JAM Investments LLC (63)	2,500	*	2,500	—	—
James & Susan Locke, TBE	10,000	*	10,000	—	—
James A. & Phyllis K. Syme, JTWROS	2,000	*	2,000	—	—
James M. & Joyce A. Hensler, JTWROS	1,000	*	1,000	—	—
Jeffrey T. Neal	2,500	*	2,500	—	—
Jennifer A. Gazza (28)	2,000	*	2,000	—	—
JLF Offshore Fund Ltd (64)	1,222,000	2.05	1,222,000	—	—
JLF Partners I LP (64)	978,000	1.64	978,000	—	—
JNL/FMR Balanced Equity	6,500	*	6,500	—	—
Joann Elenson (28)	2,500	*	2,500	—	—
John & Jennifer Duffy	2,500	*	2,500	—	—
John G. Lauroesch	500	*	500	—	—
John M. & Patricia D. Coleman, JTWROS	2,900	*	2,900	—	—
John McManus, IRA/SEP	15,000	*	15,000	—	—
John Whalen & Linda D. Rabbitt, JTWROS	2,500	*	2,500	—	—
Jon A. Rantzman (28)	1,000	*	1,000	—	—
Joseph H. Szymanski	3,000	*	3,000	—	—
JP Morgan Securities, Inc. (65)	1,250,000	2.10	1,250,000	—	—
JP Morgan Ventures Corporation (65)	1,250,000	2.10	1,250,000	—	—
Kathleen M. Elliott (28)	1,000	*	1,000	—	—
Kavli Foundation (16)	2,190	*	2,190	—	—
Kensico Associates LP (66)	526,500	*	526,500	—	—
Kensico Offshore Ltd (66)	684,700	1.15	684,700	—	—
Kensico Partners LP (66)	388,800	*	388,800	—	—
Kings Road Investments Ltd (67)	2,000,000	3.36	2,000,000	—	—
Larry Jeeter, IRA (29)	1,900	*	1,900	—	—
Leila West Jackson (28)	2,500	*	2,500	—	—
LeRoy III & Lindsay Eakin, JTBE	7,500	*	7,500	—	—
Lisa Ben-Dov	40,000	*	40,000	—	—
LongView Partners B, LP	205,463	*	205,463	—	—
Lotsoff Capital Mgmt Investment Trust Micro Cap Fund (68)	63,000	*	63,000	—	—
Loyola University Employee’s Retirement Plan Trust (16)	7,800	*	7,800	—	—
Loyola University of Chicago Endowment Fund (16)	9,920	*	9,920	—	—
Lyxor/Canyon Value Realization Fund Ltd (21)	45,000	*	45,000	—	—
Magnetar Capital Master Fund, Ltd (69)	450,000	*	450,000	—	—
MAN MAC Schneckhorn 14B Ltd (14)	307,692	*	307,692	—	—
Mark Braccia	1,000	*	1,000	—	—
Martin & Dina Friedman, JTWROS	50,000	*	50,000	—	—
Martin Hirschorn IRA	7,500	*	7,500	—	—
Mason Tenders District Council Trust Fund (16)	2,075	*	2,075	—	—
Metal Trades (16)	12,280	*	12,280	—	—
MFP Partners LP (70)	156,000	*	156,000	—	—
Michael F. Horn Sr. IRA	2,500	*	2,500	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
Michael Heijer IRA R/O	1,000	*	1,000	—	—
Michael Karfunkel (71)	3,950,000	6.49	2,800,000		
Minnesota Mining and Manufacturing Company (16)	129,310	*	129,310	—	—
Moab Partners, L.P. (72)	40,000	*	40,000	—	—
Morgan Stanley & Co International Ltd (73)	550,000	*	550,000	—	—
Morris & Deena Zyskind, JTWROS (74)	70,000	*	70,000	—	—
Mutual Financial Services Fund (75)	1,500,000	2.52	1,500,000	—	—
Nancy McGrath, TTEE, Peterson Investment Trust	30,000	*	30,000	—	—
Nathan Aber (76)	10,000	*	10,000	—	—
Nathan Hasson, TTEE, Aida Hasson Grantor Charitable Lead Annuity Trust U/A/D 12/27/00 (77)	10,000	*	10,000	—	—
Neera & Raj Singh, JTWROS	30,000	*	30,000	—	—
Norges Bank FX Reserve 53221	1,800,000	3.02	1,800,000	—	—
Pacific Partners LP (28)	8,800	*	8,800	—	—
Park West Investors Master Fund Ltd (78)	534,196	*	534,196	—	—
Park West Partners International Ltd (78)	115,804	*	115,804	—	—
Patricia Landi	800	*	800	—	—
Patricia Landi, TTEE, Revocable Trust Agreement fbo Patricia Landi	3,500	*	3,500	—	—
Paul P. Tanico	33,860	*	33,860	—	—
Paul P.Tanico & Maria L. Vecchiotti Family Investment Trust	2,250	*	2,250	—	—
Peninsula Catalyst Fund (QP) LP (79)	221,000	*	221,000	—	—
Peninsula Catalyst Fund LP (79)	104,000	*	104,000	—	—
Peninsula Master Fund Ltd (79)	575,000	*	575,000	—	—
Peter Minshall	2,500	*	2,500	—	—
Philip E. Huber, Trustee, Huber & Weakland Profit Sharing Plan & Trust	4,000	*	4,000	—	—
Pisces Capital Management LLC (80)	590	*	590	—	—
Pisces Capital Management LLC (80)	9,833	*	9,833	—	—
Pisces Capital Management LLC (80)	14,577	*	14,577	—	—
Plainfield Special Situations Master Fund Ltd (81)	750,000	1.26	750,000	—	—
Prism Partners I LP (82)	88,000	*	88,000	—	—
Prism Partners II Offshore Fund (82)	66,000	*	66,000	—	—
Prism Partners III Leveraged LP (82)	214,500	*	214,500	—	—
Prism Partners IV Leveraged Offshore Fund (82)	165,000	*	165,000	—	—
Prism Partners Offshore Fund (82)	16,500	*	16,500	—	—
Producers-Writers Guild of America (16)	13,530	*	13,530	—	—
Ralph Herzka	10,000	*	10,000	—	—
Ray Neff (83)	25,000	*	25,000	—	—
Richard Feinberg	5,000	*	5,000	—	—
Richard S. Bodman TTEE, Richard S. Bodman Revocable Trust dated 9/1/1998	5,000	*	5,000	—	—
RMK Advantage Income Fund (84)	43,500	*	43,500	—	—
RMK High Income Fund (84)	32,000	*	32,000	—	—
RMK Multi-Sector High Income Fund (84)	48,800	*	48,800	—	—
RMK Select High Income Fund (84)	88,100	*	88,100	—	—
RMK Strategic Income Fund (84)	37,600	*	37,600	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
Robeco US Premium Equities Fund (EUR) (16)	42,840	*	42,840	—	—
Robeco US Premium Equities Fund (USD) (16)	54,735	*	54,735	—	—
Robert Feinberg	10,000	*	10,000	—	—
Robert Friedman, TTEE, J & M Friedman Family Trust (85)	2,000	*	2,000	—	—
Robert Friedman, TTEE, J Friedman Family Trust (85)	2,000	*	2,000	—	—
Robert Friedman, TTEE, JMF Charitable Foundation (85)	1,500	*	1,500	—	—
Robert Friedman, TTEE, M & E Friedman Charitable Foundation (85)	7,500	*	7,500	—	—
Robert Friedman, TTEE, M Friedman Family Trust (85)	2,000	*	2,000	—	—
Robert G. Schiro	69,000	*	69,000	—	—
Roger Winslow	7,500	*	7,500	—	—
Ronald Pipoly, Sr. (86)	3,500	*	3,500	—	—
Rudolph J. Schaeffer III and Lauriston Castleman, TTEES, Jane I. Schaefer Trust (87)	10,000	*	10,000	—	—
Sam Hollander (88)	25,000	*	25,000	—	—
Samantha Glumenick	40,000	*	40,000	—	—
Santa Barbara Cottage Hospital Foundation (16)	7,170	*	7,170	—	—
Santa Barbara Hospice Foundation (16)	995	*	995	—	—
Savannah International Longshoremen’s Assoc Employers Pension Trust (16)	9,500	*	9,500	—	—
Shai & Michelle Stern	25,000	*	25,000	—	—
Simcha G. Lyons (89)	5,000	*	5,000	—	—
Sisters of St. Joseph Carondelet (16)	5,910	*	5,910	—	—
Soundpost Capital LP (90)	20,774	*	20,774	—	—
Soundpost Capital Offshore Ltd (90)	14,366	*	14,366	—	—
Stanley J. Palder	5,000	*	5,000	—	—
Steamfitters Benefit Fund (16)	3,390	*	3,390	—	—
Steamfitters Pension Fund (16)	4,470	*	4,470	—	—
Stephen & Ellen Conley, JTWROS	2,500	*	2,500	—	—
Stephen B. Ungar (91)	2,000	*	2,000	—	—
Steven Rothstein	7,500	*	7,500	—	—
Stratford Partners LP (92)	25,000	*	25,000	—	—
Stuart Hollander (93)	3,000	*	3,000	—	—
Stucky Timberland Inc. (94)	5,000	*	5,000	—	—
Summer Street Cumberland Investors LLC	101,896	*	101,896	—	—
Susie Thorness (28)	1,000	*	1,000	—	—
Sutter Health Master Retirement Trust (95)	35,000	*	35,000	—	—
Sutther Health (95)	65,000	*	65,000	—	—
T. Rowe Price Financial Services Fund, Inc. (96)	186,800	*	186,800	—	—
Taconic Opportunity Fund (97)	488,125	*	488,125	—	—
Taconic Opportunity Offshore Ltd (97)	761,875	1.28	761,875	—	—
Tammy Klein (98)	120,000	*	120,000	—	—
Terry P. Murphy, Trustee, Terry P. Murphy Trust (99)	1,000	*	1,000	—	—
The Catalyst Master Fund Ltd	21,883	*	21,883	—	—
The H Account (87)	5,000	*	5,000	—	—
The Liverpool Limited Partnership (100)	1,000,000	1.68	1,000,000	—	—

Selling Shareholders	Beneficial ownership prior to offering		Shares offered pursuant to this prospectus (maximum number that may be sold)	Beneficial ownership after offering(2)	
	Shares(1)	Percentage of class		Shares	Percentage of class
The William K. Warren Foundation (101)	25,000	*	25,000	—	—
Third Point Offshore Fund Ltd (102)	1,089,800	1.83	1,089,800	—	—
Third Point Partners LP (102)	135,800	*	135,800	—	—
Third Point Partners Qualified LP (102)	130,800	*	130,800	—	—
Third Point Ultra Ltd (102)	143,600	*	143,600	—	—
Thomas & Lucy Gies, JTWROS	2,500	*	2,500	—	—
Timothy B. & Jane F. Matz	1,000	*	1,000	—	—
Timothy M. and Jayne N. Donahue, JTWROS	10,000	*	10,000	—	—
Tivoli Partners (103)	50,000	*	50,000	—	—
Town of Darien Employee Pension (16)	3,440	*	3,440	—	—
Town of Darien Police Pension (16)	2,765	*	2,765	—	—
Tribeca European Strategies (104)	500,000	*	500,000	—	—
Triple Crown Investments LLP (105)	75,000	*	75,000	—	—
UBS O'Connor LLC f/b/o/ O'Connor PIPE Corporate Strategies Master Limited (106)	250,000	*	250,000	—	—
Union Investment Privatfonds GmbH (107)	2,075,000	3.48	2,075,000	—	—
United Capital Management (108)	10,000	*	10,000	—	—
University of Richmond Endowment Fund (16)	7,510	*	7,510	—	—
University of Southern California Endowment Fund (16)	26,140	*	26,140	—	—
Variable Insurance Products Fund III Balanced Portfolio	19,000	*	19,000	—	—
Variable Insurance Products Fund III: Value Strategies Portfolio	23,100	*	23,100	—	—
Variable Insurance Products Fund: Value Portfolio	4,900	*	4,900	—	—
Vecchiotti-Tanico Family LLC	740	*	740	—	—
Verizon (16)	129,775	*	129,775	—	—
Verizon VEBA (16)	23,020	*	23,020	—	—
Vestal Venture Capital (109)	31,700	*	31,700	—	—
Wallace F. Holladay, Jr	5,000	*	5,000	—	—
Wildlife Conservation Society (16)	6,565	*	6,565	—	—
William J. Hicken Revocable Living Trust U/A dtd 4/19/1991 (29)	8,400	*	8,400	—	—
William R. Morris, III	2,500	*	2,500	—	—
Wolf Creek Investors (Bermuda) LP (13)	293,900	*	293,900	—	—
Wolf Creek Partners (13)	270,400	*	270,400	—	—
Wolfson Equities (110)	290,000	*	290,000	—	—
Yale University c/o MFP Investors LLC (70)	44,000	*	44,000	—	—
Yale Zimmerman	5,000	*	5,000	—	—
Yehuda & Anne Neuberger, JTWROS (111)	50,000	*	50,000	—	—
Zeke, LP (112)	250,000	*	250,000	—	—
Zohar Ben-Dov	30,000	*	30,000	—	—
Total:	**63,600,000**		**59,550,000**	**—**	**—**

* Less than one percent (1%).

(1) Beneficial ownership prior to offering includes private placement shares acquired by the listed selling shareholder and not subsequently disposed of (through August 30, 2007, except as otherwise indicated). Beneficial ownership is calculated based on Rule 13d-3(d)(i) of the Exchange Act.

(2) Calculated based on Rule 13d-3(d)(i) of the Exchange Act. Assumes that each named selling shareholder sells all of the common shares it holds that are covered by this prospectus and neither acquires nor disposes of any other shares, or rights to purchase other shares, subsequent to the date as of which we obtained information regarding its holdings. Because the selling shareholders are not obligated to sell all or any portion of the common shares shown as offered by them, we cannot estimate the actual number of common shares (or actual percentage of the class) that will be beneficially held by any selling shareholder upon completion of the offering.

(3) We have been advised by the selling shareholder that Gena Lovett, as chief operating officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(4) We have been advised by the selling shareholder that Ken S. Perry has voting and dispositive power over the shares of common stock.

(5) We have been advised by the selling shareholder that Chris Macke, as managing principal of the selling shareholder, has voting and dispositive power over the shares of common stock.

(6) We have been advised by the selling shareholder that Robert Villiers, as a director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(7) Mr. Tegan is a former director of Maiden.

(8) We have been advised by the selling shareholder that Jay Spellman, as member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(9) We have been advised by the selling shareholder that Malcolm P. Fairbrain, as chief investment officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(10) We have been advised by the selling shareholder that Barcela Verinique, as deputy vice president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(11) Mr. Zyskind is one of our Founding Shareholders. The number of shares includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to Mr. Zyskind. See also “Principal Shareholders.”

(12) Mrs. Karfunkel is the sister-in-law and Mr. Karfunkel is the brother-in-law of Barry Zyskind, our Chairman of the Board of Directors.

(13) We have been advised by the selling shareholder that Steven M. Hoffman, as vice president and counsel of Wellington Management Company, LP, the investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(14) We have been advised by the selling shareholder that Michael Palmer, as chief financial officer of Berencourt Advisers LLC, has voting and dispositive power over the shares of common stock.

(15) We have been advised by the selling shareholder that Raj Iduani, as Manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(16) We have been advised by the selling shareholder that Mary Ann Iudice, as chief compliance officer of Robeco Investment Management, Inc. the investment adviser to Boston Partners Asset Management, LLC, acting in its capacity as investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(17) We have been advised by the selling stockholder that Robeco Investment Management, Inc. has voting and dispositive power over the shares of common stock.

(18) Mr. Saulnier is the President of AMT Service Corporation, an AmTrust subsidiary.

(19) We have been advised by the selling shareholder that Burlingame Asset Management, LLC, as general partner and investment manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(20) We have been advised by the selling shareholder that Richard S. Strong, as managing partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(21) We have been advised by the selling shareholders that Canpartners Investments III, L.P. and Canyon Capital Advisers LLC are the controlling entities of the selling shareholder. The general partner of the selling shareholder is Canpartners Investments III, L.P. and the general partner of Canpartners Investments III, L.P. is Canyon Capital Advisers LLC. The managing partners of Canyon Capital Advisers LLC are Joshua S. Friedman, Mitchell R. Julis and K. Robert Turner.

(22) We have been advised by the selling shareholder that Martin Kobinger, as investment manager of Heights Capital Management, Inc., the authorized agent of the selling shareholder, has voting and dispositive power over the shares of common stock.

(23) We have been advised by the selling shareholder that John Heywood, as portfolio manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(24) We have been advised by the selling shareholder that James E. Canty, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(25) We have been advised by the selling shareholder that Robert J. Flanagan, as manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(26) We have been advised by the selling shareholder that Steven Major, as managing member of the general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(27) Mr. Turin is the brother of Ben Turin, our Chief Operating Officer, General Counsel and Assistant Secretary.

(28) We have been advised by the selling shareholder that Laurance E. Ach, as managing director of First Republic Investment Management, the investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(29) We have been advised by the selling shareholder that Philip E. Huber, as president of Huber, Weakland & Associates, Inc. the investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(30) Mr. Lyons is the son of Simcha Lyons, one of our directors.

(31) We have been advised by the selling shareholder that Steven T. Lampe, as vice president and portfolio manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(32) We have been advised by the selling shareholder that Rick Muller, as chief financial officer of the investment manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(33) Mr. DeCarlo is a director of AmTrust.

(34) We have been advised by the selling shareholder that Gregory L. Melchor, as managing member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(35) We have been advised by the selling shareholder that James and Virginia Doyle have voting and dispositive power over the shares of common stock.

(36) We have been advised by the selling shareholder that Alexander W. Rutherford, as portfolio manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(37) Mr. Lee is an employee of AmTrust.

(38) We have been advised by the selling shareholder that Emanuel J. Friedman, as chief executive officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(39) We have been advised by the selling shareholder that Eli Lavitin, as member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(40) We have been advised by the selling shareholder that Michael Johnston, as director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(41) We have been advised by the selling shareholder that Elliot Greenberg, as vice president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(42) We have been advised by the selling shareholder that J. Steven Emerson of the selling shareholder, has voting and dispositive power over the shares of common stock.

(43) We have been advised by the selling shareholder that Patrick Tully, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(44) We have been advised by the selling shareholder that Robert G. Schiro, as chief executive officer and president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(45) We have been advised by the selling shareholder that Beth L. Bernstein, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(46) We have been advised by the selling shareholder that Salvatore Schiavone, the assistant treasurer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(47) We have been advised by the selling shareholder that Steven N. Stein, as president and chief executive officer of the sole general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(48) We have been advised by the selling shareholder that Andrew Moss, as chief operating officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(49) We have been advised by the selling shareholder that Dan German, as managing member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(50) Mr. Karfunkel is one of our Founding Shareholders. The number of shares includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to Mr. Karfunkel. See also “Principal Shareholders.”

(51) We have been advised by the selling shareholder that Steven C. Kleinman has voting and dispositive power over the shares of common stock.

(52) We have been advised by the selling shareholder that Simon White, as chief operating officer of GLG Partners LP, the investment manager of the selling shareholder, has voting and dispositive power over the shares of common stock.

(53) We have been advised by the selling shareholder that Greg Pearson, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(54) H&H Associates is an affiliate of Stuart Hollander, a Senior Vice President of AmTrust.

(55) Mr. Schlacter is the Treasurer and Senior Vice President of Finance of AmTrust.

(56) We have been advised by the selling shareholder that Craig L. Krumwiede, as president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(57) We have been advised by the selling shareholder that J. Morgan Rutman, as managing member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(58) Mr. Lemmer is the General Counsel of our transfer agent, American Stock Transfer & Trust Company, which is controlled by George Karfunkel and Michael Karfunkel, two of our Founding Shareholders.

(59) We have been advised by the selling shareholder that Dora Hines, as attorney in fact of the selling shareholder, has voting and dispositive power over the shares of common stock.

(60) We have been advised by the selling shareholder that Carolyn Rubin, as managing director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(61) We have been advised by the selling shareholder that Cynthia Carsiglie of the selling shareholder, has voting and dispositive power over the shares of common stock.

(62) We have been advised by the selling shareholder that Philippe Riachi, as chief operating officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(63) We have been advised by the selling shareholder that Joseph S. Galli, as vice president and treasurer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(64) We have been advised by the selling shareholder that Hien Tran, as chief financial officer of JLF Asset Management, LLC, has voting and dispositive power over the shares of common stock.

(65) We have been advised by the selling shareholder that Peter Weiland, as managing director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(66) We have been advised by the selling shareholder that Thomas Coleman, as president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(67) We have been advised by the selling shareholder that Brandon L Jones, as co-head of private investments of the selling shareholder, has voting and dispositive power over the shares of common stock.

(68) We have been advised by the selling shareholder that Donna I. Noble, as chief compliance officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(69) We have been advised by the selling shareholder that Michael Turro, as chief compliance officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(70) We have been advised by the selling shareholder that Michael Price, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(71) Mr. Karfunkel is one of our Founding Shareholders. The number of shares includes 1,350,000 common shares issuable upon the exercise of 10-year warrants we issued to Mr. Karfunkel. See also “Principal Shareholders.”

(72) We have been advised by the selling shareholder that Michael Rothenberg, as portfolio manager of Moab Partners, L.P., has voting and dispositive power over the shares of common stock.

(73) We have been advised by the selling shareholder that Riccardo Gastaudo, as authorized agent of the selling shareholder, has voting and dispositive power over the shares of common stock.

(74) Mr. & Mrs. Zyskind are the parents of Barry Zyskind, our Chairman of the Board of Directors.

(75) We have been advised by the selling shareholder that Bradley Takahashi, as president of Franklin Mutual Advisers, LLC, has voting and dispositive power over the shares of common stock.

(76) Mr. Aber is an employee of AmTrust Realty Corp., an affiliate of our transfer agent, American Stock Transfer & Trust Company, which is controlled by George Karfunkel and Michael Karfunkel, two of our Founding Shareholders.

(77) Mr. Hasson is the Chief Investment Officer of AmTrust.

(78) We have been advised by the selling shareholder that James J. Watson, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(79) We have been advised by the selling shareholder that Scott Bedford of the selling shareholder, has voting and dispositive power over the shares of common stock.

(80) We have been advised by the selling shareholder that Joshua Fischer, as managing member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(81) We have been advised by the selling shareholder that Antonio Peguero Jr. of the selling shareholder, has voting and dispositive power over the shares of common stock.

(82) We have been advised by the selling shareholder that Jerald M. Weintraub, as president of the general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(83) Mr. Neff is one of our directors.

(84) We have been advised by the selling shareholder that Jim Kelsoe, as managing director of Morgan Asset Management, has voting and dispositive power over the shares of common stock.

(85) Mr. Friedman is the brother-in-law of Michael Karfunkel, one of our Founding Shareholders.

(86) Mr. Pipoly is the father of Ronald Pipoly, Jr., our Interim Chief Financial Officer.

(87) We have been advised by the selling shareholder that Marshall C. Cutler, as executive vice president of Zirkin-Cutler Investments, the investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(88) Mr. Hollander is the father of Stuart Hollander, a Senior Vice President of AmTrust.

(89) Mr. Lyons is one of our directors.

(90) We have been advised by the selling shareholder that Jamie Lester, as managing member of the selling shareholder, has voting and dispositive power over the shares of common stock.

(91) Mr. Ungar is the General Counsel of AmTrust.

(92) We have been advised by the selling shareholder that Chad Comtteau, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(93) Mr. Hollander is a Senior Vice President of AmTrust.

(94) We have been advised by the selling shareholder that Wade B. Hall, as president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(95) We have been advised by the selling shareholder that John D. Race, as principal of the selling shareholder, has voting and dispositive power over the shares of common stock.

(96) We have been advised by the selling shareholder that Daniel N. Braman, as vice president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(97) We have been advised by the selling shareholder that Robin Rothstein, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(98) Ms. Klein is the sister of Barry Zyskind, our Chairman of the Board of Directors.

(99) We have been advised by the selling shareholder that John E. Montgomery, as president of Montgomery Bros., Inc. the investment adviser of the selling shareholder, has voting and dispositive power over the shares of common stock.

(100) We have been advised by the selling shareholder that Elliot Greenberg, as vice president of the general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(101) We have been advised by the selling shareholder that Mark A. Buntz, as chief financial officer of the selling shareholder, has voting and dispositive power over the shares of common stock.

(102) We have been advised by the selling shareholder that Keith Waller, as managing director operations of the selling shareholder, has voting and dispositive power over the shares of common stock.

(103) We have been advised by the selling shareholder that Peter Kenner, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(104) We have been advised by the selling shareholder that Dae Levy, as managing director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(105) We have been advised by the selling shareholder that Leonard B. Zelin, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(106) We have been advised by the selling shareholder that Nicholas Noceciho, as executive director of the selling shareholder, has voting and dispositive power over the shares of common stock.

(107) We have been advised by the selling shareholder that Jens Lilholm, as authorized agent of the selling shareholder, has voting and dispositive power over the shares of common stock.

(108) We have been advised by the selling shareholder that James A. Lustig, as president of the selling shareholder, has voting and dispositive power over the shares of common stock.

(109) We have been advised by the selling shareholder that Allan R. Lyons, as managing member of the general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(110) We have been advised by the selling shareholder that Aaron Wolfson, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(111) Mrs. Neuberger is the daughter and Mr. Neuberger is the son-in-law of George Karfunkel, one of our Founding Shareholders.

(112) We have been advised by the selling shareholder that Edward N. Antoian, as general partner of the selling shareholder, has voting and dispositive power over the shares of common stock.

(113) We have been advised by the selling shareholder that Michael Heyworth, as a director of the selling shareholder, has voting and dispositive power over the shares of common stock.

PLAN OF DISTRIBUTION

The selling shareholders, or their pledgees, donees, transferees, or any of their successors in interest selling shares received from a named selling shareholder as a gift, partnership distribution or other non-sale-related transfer after the date of this prospectus (all of whom may be selling shareholders), may sell the common shares offered by this prospectus from time to time on any stock exchange or automated interdealer quotation system on which the common shares are listed or quoted at the time of sale, in the over-the-counter market, in privately negotiated transactions or otherwise, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at prices otherwise negotiated. The selling shareholders may sell the common shares by one or more of the following methods, without limitation:

- block trades in which the broker or dealer so engaged will attempt to sell the common shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its own account pursuant to this prospectus;
- an exchange distribution in accordance with the rules of any stock exchange on which the common shares are listed;
- ordinary brokerage transactions and transactions in which the broker solicits purchases;
- privately negotiated transactions;
- short sales;
- the writing of options on the common shares, whether or not the options are listed on an options exchange;
- the distribution of the common shares by any selling shareholder to its partners, members or shareholders;
- one or more underwritten offerings on a firm commitment or best efforts basis; and
- any combination of any of these methods of sale.

These transactions may include crosses, which are transactions in which the same broker acts as an agent on both sides of the trade. The selling shareholders may also transfer the common shares by gift. The selling shareholders will act independently of us in making decisions with respect to the timing, manner and size of each sale of the common shares offered hereby. The selling shareholders have advised us that they have not entered into any agreements, arrangements or understandings for the sale of any of their common shares.

The selling shareholders may sell shares directly to market makers acting as principals and/or to brokers and dealers, acting as agents for themselves or their customers. Brokers or dealers may arrange for other brokers or dealers to participate in effecting sales of the common shares. Broker-dealers may agree with a selling shareholder to sell a specified number of the shares at a stipulated price per share. If the broker-dealer is unable to sell common shares acting as agent for a selling shareholder, it may purchase as principal any unsold shares at the stipulated price. Broker-dealers who acquire common shares as principals may thereafter resell the shares from time to time in transactions in any stock exchange or automated interdealer quotation system on which the common shares are then listed, at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. Broker-dealers may use block transactions and sales to and through broker-dealers, including transactions of the nature described above. The selling shareholders may also sell the common shares in accordance with Rule 144 or Rule 144A under the Securities Act, rather than pursuant to this prospectus. In order to comply with the securities laws of some states, if applicable, the common shares may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common shares may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

From time to time, one or more of the selling shareholders may pledge, hypothecate or grant a security interest in some or all of the shares owned by them. The pledgees, secured parties or person to whom the shares have been hypothecated will, upon foreclosure in the event of default, be deemed to be selling shareholders. The number of a selling shareholder’s shares offered under this prospectus will decrease as and when it takes such actions. The plan of distribution for that selling shareholder’s shares will otherwise remain unchanged. In addition, a selling shareholder may, from time to time, sell the shares short, and, in those instances, this prospectus may be delivered in connection with the short sales and the shares offered under this prospectus may be used to cover short sales.

A selling shareholder may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the common shares in the course of hedging the positions they assume with that selling shareholder, including, without limitation, in connection with distributions of the common shares by those broker-dealers. A selling shareholder may enter into option or other transactions with broker-dealers, who may then resell or otherwise transfer those common shares pursuant to this prospectus, as supplemented or amended to reflect such transactions. A selling shareholder may also loan or pledge the common shares offered by this prospectus to a broker-dealer and the broker-dealer may sell the common shares offered by this prospectus so loaned or upon a default may sell or otherwise transfer the pledged common shares offered by this prospectus.

To the extent required under the Securities Act, the aggregate amount of selling shareholders' shares being offered and the terms of the offering, the names of any agents, brokers, dealers or underwriters, any applicable commission and other material facts with respect to a particular offer will be set forth in an accompanying prospectus supplement or a post-effective amendment to the registration statement of which this prospectus is a part, as appropriate. Any underwriters, dealers, brokers or agents participating in the distribution of the common shares may receive compensation in the form of underwriting discounts, concessions, commissions or fees from a selling shareholder and/or purchasers of selling shareholders' shares, for whom they may act (which compensation as to a particular broker-dealer might be less than or in excess of customary commissions). Neither we nor any selling shareholder can presently estimate the amount of any such compensation.

The selling shareholders and any underwriters, brokers, dealers or agents that participate in the distribution of the common shares may be deemed to be "underwriters" within the meaning of the Securities Act, and any discounts, concessions, commissions or fees received by them and any profit on the resale of the securities sold by them may be deemed to be underwriting discounts and commissions. If a selling shareholder is deemed to be an underwriter, the selling shareholder may be subject to certain statutory liabilities including, but not limited to Sections 11, 12 and 17 of the Securities Act and Rule 10b−5 under the Exchange Act. Selling shareholders who are deemed underwriters within the meaning of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. The SEC staff is of a view that selling shareholders who are registered broker-dealers or affiliates of registered broker-dealers may be underwriters under the Securities Act. In compliance with the guidelines of the NASD, the maximum commission or discount to be received by any NASD member or independent broker-dealer may not exceed 8% for the sale of any securities registered hereunder. We will not pay any compensation or give any discounts or commissions to any underwriter in connection with the securities being offered by this prospectus.

The selling shareholders and other persons participating in the sale or distribution of the common shares will be subject to applicable provisions of the Exchange Act, and the rules and regulations under the Exchange Act, including Regulation M. This regulation may limit the timing of purchases and sales of any of the common shares by the selling shareholders and any other person. The anti-manipulation rules under the Exchange Act may apply to sales of common shares in the market and to the activities of the selling shareholders and their affiliates. Regulation M may restrict the ability of any person engaged in the distribution of the common shares to engage in market-making activities with respect to the particular common shares being distributed. These restrictions may affect the marketability of the common shares and the ability of any person or entity to engage in market-making activities with respect to the common shares. The selling shareholders have acknowledged that they understand their obligations to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M.

We have agreed to indemnify the selling shareholders and any brokers, dealers and agents who may be deemed to be underwriters, if any, of the common shares offered by this prospectus, against specified liabilities, including liabilities under the Securities Act. The selling shareholders have agreed to indemnify us against specified liabilities, including liabilities under the Securities Act.

The common shares offered by this prospectus were originally issued to the selling shareholders pursuant to an exemption from the registration requirements of the Securities Act. We agreed to register the common shares under the Securities Act, and to keep the registration statement of which this prospectus is a part effective until the earliest of:

- the date on which all the common shares offered hereby have been sold in accordance with this prospectus and the registration statement to which this prospectus relates;

- the date on which the common shares offered hereby are distributed to the public pursuant to Rule 144 under the Securities Act (or any similar provision then in effect) or are saleable pursuant to Rule 144(k) under the Securities Act;

- the common shares offered hereby are no longer outstanding; or

- the second anniversary of the effective date of the registration statement to which this prospectus relates.

Our obligation to keep the registration statement to which this prospectus relates effective is subject to specified, permitted exceptions. In these cases, we may suspend offers and sales of the common shares pursuant to the registration statement to which this prospectus relates.

We have agreed to pay all expenses incident to the registration of the common shares in connection with the private offering, including the fees and expenses of one counsel to the selling shareholders, but not including broker or underwriting discounts and commissions or any transfer taxes relating to the sale or disposition of the common shares by the selling shareholders.

The aggregate proceeds to the selling shareholders from the sale of the common shares offered by them will be the purchase price of the common shares less discounts and commissions, if any. If the common shares are sold through underwriters or broker-dealers, the selling shareholders will be responsible for underwriting discounts and commissions and/or agent's commissions. We will not receive any proceeds from sales of any common shares by the selling shareholders.

We cannot assure you that the selling shareholders will sell all or any portion of the common shares offered by this prospectus. In addition, we cannot assure you that a selling shareholder will not transfer our common shares by other means not described in this prospectus.

CUSIP Number

The Committee on Uniform Securities Identification Procedures assigns a unique number, known as a CUSIP number, to a class or issue of securities in which all of the securities have similar rights. Upon issuance, the common shares covered by this prospectus included shares with three different CUSIP numbers, depending upon whether the sale of the shares to the selling shareholder was conducted (a) by us under Section 4(2) of the Securities Act, (b) by Friedman, Billings, Ramsey & Co., Inc., as the initial purchaser, under Rule 144A or (c) by the initial purchaser under Regulation S. Prior to any registered resale, all of the securities covered by this prospectus are restricted securities under Rule 144 and their designated CUSIP numbers refer to such restricted status.

Any sales of our common shares by means of this prospectus must be settled with common shares bearing our general (not necessarily restricted) common shares CUSIP number. A selling shareholder named in this prospectus may obtain shares bearing our general common shares CUSIP number for settlement purposes by presenting the shares to be sold (with a restricted CUSIP) to our transfer agent, American Stock Transfer & Trust Company. The process of obtaining such shares might take a number of business days. SEC rules generally require trades in the secondary market to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, a selling shareholder who holds securities with a restricted CUSIP at the time of the trade might wish to specify an alternate settlement cycle at the time of any such trade to provide sufficient time to obtain the shares with an unrestricted CUSIP in order to prevent a failed settlement.

LEGAL MATTERS

The validity of the common shares under Bermuda law has been passed upon for us by Conyers Dill & Pearman, Hamilton, Bermuda.

EXPERTS

The financial statements as of June 14, 2007 and for the period then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers, independent chartered accountants, given on the authority of said firm as experts in auditing and accounting.

ENFORCEABILITY OF CIVIL LIABILITIES UNDER U.S. FEDERAL SECURITIES LAWS

We are incorporated under the laws of Bermuda and our business is based in Bermuda. In addition, some of our directors and officers may reside outside the United States, and all or a substantial portion of our assets will be and the assets of these persons are, and will continue to be, located in jurisdictions outside the United States. As such, it may be difficult or impossible for investors to effect service of process within the United States upon us or those persons or to recover against us or them on judgments of U.S. courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability, including the possibility of monetary damages, on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

We have been advised by Conyers Dill & Pearman, our Bermuda counsel, that there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a United States judgment would be enforceable in Bermuda against us or our directors and officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over us or our directors and officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S.) law.

In addition, and irrespective of jurisdictional issues, the Bermuda courts will not enforce a U.S. federal securities law that is either penal or contrary to Bermuda public policy. It is the advice of Conyers Dill & Pearman that an action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, would not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy.

WHERE YOU CAN FIND MORE INFORMATION

We filed with the SEC a registration statement on Form S−1 under the Securities Act for the common shares to be sold by our selling shareholders pursuant to this prospectus. This prospectus does not contain all of the information in the registration statement and the exhibits and schedules that were filed with the registration statement. For further information with respect to the common shares and us, we refer you to the registration statement and the exhibits and schedules that were filed with the registration statement. Statements made in this prospectus regarding the contents of any contract, agreement or other document that is filed as an exhibit to the registration statement are not necessarily complete, and we refer you to the full text of the contract or other document filed as an exhibit to the registration statement. We will file reports, proxy statements and other information with the SEC. Our SEC filings, and a copy of the registration statement and the exhibits and schedules that were filed with the registration statement may be inspected without charge at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, DC 20549. Copies of all or any part of the registration statement may be obtained from the SEC upon payment of the prescribed fee. Information regarding the operation of the Public Reference Room may be obtained by calling the SEC at 1−800−SEC−0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is http://www.sec.gov.

Website Access to our Periodic SEC Reports

The Internet address of our corporate website is http://www.maiden.bm. We intend to make our periodic SEC reports (on Forms 10−K and 10−Q) and current reports (on Form 8−K), as well as the beneficial ownership reports filed by our directors, officers and 10% shareholders (on Forms 3, 4 and 5) available free of charge through our website as soon as reasonably practicable after they are filed electronically with the SEC. We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by SEC rules. The information on our website is not a part of this prospectus and will not be part of any of periodic or current reports to be filed by us with the SEC.

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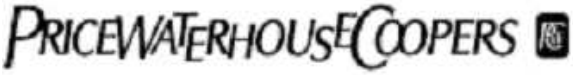

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September 17, 2007

Report of Independent Registered Public Accounting Firm

To the board of directors and shareholders of Maiden Holdings, Ltd.

In our opinion, the accompanying balance sheet and the related statements of operations, changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Maiden Holdings, Ltd. at June 14, 2007, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Chartered Accountants

A list of partners can be obtained from the above address
PricewaterhouseCoopers refers to the members of the worldwide PricewaterhouseCoopers organisation

MAIDEN HOLDINGS, LTD.

BALANCE SHEET
As of June 14, 2007
(dollar amounts are in thousands (000's) except per share data)

Assets		
Cash	$	21,000
Common shares subscription price receivable		29,000
Deferred costs		976
Total Assets	$	50,976
Liabilities		
Accrued expenses	$	1,102
Total Liabilities	$	1,102
Shareholders' Equity		
Common shares, $.01 par value, 100,000,000 shares authorized, 7,800,000 issued and outstanding	$	78
Additional paid-in-capital		49,922
Accumulated deficit		(126)
Total Shareholders' Equity	$	49,874
Total Liabilities and Shareholders' Equity	$	50,976

MAIDEN HOLDINGS, LTD.

STATEMENT OF OPERATIONS
For the Period May 31, 2007 through June 14, 2007
(dollar amounts are in thousands (000's) except per share data)

Revenues	$ —
Expenses	
General and administrative expenses	$ 126
Total Expenses	$ 126
Net Loss	$ (126)
Loss per common share:	
Basic and diluted loss per common share	$ (0.24)
Weighted-average common shares outstanding: basic and diluted	520

MAIDEN HOLDINGS, LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Period May 31, 2007 through June 14, 2007
(dollar amounts are in thousands (000's) except per share data)

	Common Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance, May 31, 2007	$ —	$ —	$ —	$ —	$ —
Comprehensive loss:					
Net loss				(126)	(126)
Comprehensive loss					(126)
Issuance of common shares	78	49,922			50,000
Balance, June 14, 2007	$ 78	$ 49,922	$ —	$ (126)	$ 49,874

MAIDEN HOLDINGS, LTD.

STATEMENT OF CASH FLOWS
For the Period May 31, 2007 through June 14, 2007
(dollar amounts are in thousands (000's) except per share data)

Cash flows from operating activities		
Net loss from continuing operations	$	(126)
Change in assets and liabilities:		
Accrued expenses		126
Net cash provided by operating activities		—
Cash flows from investing activities		—
Cash flows from financing activities		
Common shares issuance		21,000
Net cash provided by financing activities		21,000
Net increase in cash and cash equivalents		21,000
Cash and cash equivalents, beginning of period		—
Cash and cash equivalents, end of period	$	21,000

1. Basis of Presentation and Summary of Accounting Principles

Description of Business

Maiden Holdings, Ltd. (sometimes referred to as the "Company"), has been organized as a Cayman Islands company to provide, through an insurance subsidiary to be established under the laws of Bermuda, property and casualty insurance and reinsurance business solutions primarily to small insurance companies and program underwriting agents in the United States. The Company is being formed to take advantage of opportunities that management of the Company believes exist in the insurance and reinsurance industry for providing traditional quota share reinsurance and excess of loss reinsurance. The Company intends to change its jurisdiction of organization to Bermuda (See Note 8 — Subsequent Events).

Basis of Presentation

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities as at the balance sheet date. Estimates also affect the reported amounts of income and expenses for the reporting period. Actual results could differ from those estimates.

These financial statements are presented from May 31, 2007, the date of incorporation, to June 14, 2007 in accordance with U.S. GAAP.

Formation

On June 14, 2007 the Company received subscriptions for an aggregate of 7,800,000 common shares from Michael Karfunkel, George Karfunkel and Barry D. Zyskind (sometimes referred to as the "Founding Shareholders") for $50,000. As of June 14, 2007, $21,000 of the $50,000 subscription had been received. Subsequently on June 15, 2007, an additional $4,000 was collected from the Founding Shareholders. The remaining $25,000 is in the process of clearing the bank. The Company intends to conduct a private offering of its common shares as described under "Significant accounting policies" below. If the Company were unable to complete the proposed offering, the capital funds received from the Founding Shareholders, net of any expenses incurred by the Company, would be returned upon liquidation of the Company.

Significant accounting policies

The following is a summary of the significant accounting policies adopted by the Company:

(a) Cash and cash equivalents

Cash and cash equivalents are carried at cost, which approximates fair value, and include all securities that, at their purchase date, have a maturity of less than 90 days. The Company maintains its cash accounts in the Bank of Bermuda, which are not insured.

(b) Warrants

The Company has accounted for certain warrants to purchase up to 4,050,000 common shares of the Company issued to the founders of the Company, in conjunction with the capitalization of the Company, and which may be settled by the Company using the physical settlement method, in accordance with Emerging Issues Task Force 00-19: "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock" ("EITF 00-19"). Accordingly, the fair value of these warrants has been recorded in equity as an addition to additional paid-in-capital. The associated cost of the fair value of these warrants has been recorded in accordance with Note 1(c) below.

1. Basis of Presentation and Summary of Accounting Principles - (continued)

(c) Offering and incorporation expenses

The Company intends to offer 45,000,000 common shares and up to an additional 6,750,000 common shares to cover over-allotments in a private offering. Offering expenses incurred in connection with the proposed offering will be recorded as a reduction of paid-in-capital. These costs are expected to include certain investment banking fees, legal fees, printer fees and audit fees.

With respect to the warrants issued to the founders, which had an effective date of June 14, 2007, the aggregate value of these warrants was recorded as an addition to additional paid-in-capital on such effective date with an offsetting charge to additional paid-in-capital as well.

Any incorporation expenses not related to the raising of capital are expensed as incurred and are included in other operating expenses.

(d) Earnings Per Share

Basic earnings per share are computed based on the weighted-average number of common shares outstanding. Dilutive earnings per share are computed using the weighted-average number of common shares outstanding during the period adjusted for the dilutive impact of warrants and share options using the treasury stock method. There were no dilutive shares for the period between May 31, 2007 and June 14, 2007

(e) Recent Accounting Developments

During September 2006, the FASB issued SFAS 157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value in U.S. GAAP financial statements, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal periods beginning after November 14, 2007, and interim periods within those fiscal years. Early adoption is permitted. The Company has not yet determined the impact, if any, on its financial statements of adopting SFAS 157.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS No. 159") which provides reporting entities the ability to choose to report many financial instruments and certain other items at fair value with changes in fair value included in current earnings. SFAS No. 159 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. The standard also requires additional information to aid financial statement users' understanding of a reporting entity's choice to use fair value on its earnings and also requires entities to display on the face of the balance sheet the fair value of those assets and liabilities which the reporting entity has chosen to measure at fair value. SFAS No. 159 is effective as of the beginning of a reporting entity's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of SFAS No. 157. Because application of the standard is optional, any impacts are limited to those financial assets and liabilities to which SFAS No. 159 would be applied, which has yet to be determined.

2. Statement of Operations

For the period from inception to June 14, 2007 the Company did not have any revenue to report. The retained deficit of $126 was due to audit and rating service fees.

3. Share Capital

(a) Authorized and issued

The Company's authorized share capital is 100,000,000 common shares with a par value of $0.01 per share, of which there are 7,800,000 common shares issued and outstanding, which were issued to the Founding Shareholders in consideration of their investment of $50,000 in the Company as described in Note 1 under "Formation".

The holders of our common shares are entitled to receive dividends and are allocated one vote per share, subject to downward adjustment under certain circumstances.

(b) Warrants

In connection with the formation by our Founding Shareholders, the Company issued to the Founding Shareholders 10-year warrants to purchase up to 4,050,000 common shares of the Company. The warrants are effective as of June 14, 2007 and will expire on June 14, 2017. The warrants are exercisable at a price per share of $10.00, equal to the price per share to be paid by investors in the proposed private offering.

The warrants may be settled using the physical settlement method. The warrants have been classified as equity instruments, in accordance with EITF 00-19. The warrants were initially measured at an aggregate fair value of $19,521, which was recorded as an addition to additional paid-in-capital with an offsetting charge to additional paid-in-capital as well.

The fair value of the warrants issued was estimated on the date of grant using the Black-Scholes option-pricing model. The volatility assumption used, 34.53%, was derived from the historical volatility of the share price of a range of publicly-traded companies with similar types of business to that of the Company. No allowance was made for any potential illiquidity associated with the private trading of the Company's shares. The other assumptions in the option pricing model were as follows: risk free interest rate of 5.16%, expected life of 10 years and a dividend yield of 1%.

(c) Dividends

The Company did not declare any dividends as of the date of the balance sheet.

4. Taxation

Bermuda

The Company has received from the Bermuda government an exemption from all local income, withholding and capital gains taxes until March 28, 2016. At the present time, no such taxes are levied in Bermuda.

United States

The Company intends to operate in such manner that it will not be engaged in a trade or business in the United States and, accordingly, does not expect to be subject to United States federal income taxation.

5. Commitments and Contingencies

(a) Concentrations of credit risk

As of June 14, 2007 the Company's assets consisted of cash, common share subscription price receivable and deferred costs.

The Company's future investments will be managed following standards of diversification to be established by the Company from time to time. Specific provisions will limit the allowable holdings of a single issue and issuers. The Company believes that there are no significant concentrations of credit risk associated with its investments.

(b) Employment agreements

The Company has entered into employment agreements, effective as of the date of the closing of the proposed offering, with certain of its executive officers.

(c) Operating leases

The Company subleases office space. Future minimum lease commitments are $10 for 2007. There are no commitments for 2008 and thereafter.

6. Related Party Transactions

The transactions listed below are classified as related party transactions as each counterparty may be deemed to be an affiliate of the Company.

The Company, through a subsidiary, plans to provide reinsurance to certain subsidiaries of AmTrust Financial Services, Inc. ("AmTrust") pursuant to quota share reinsurance agreements and, potentially, one or more excess of loss reinsurance agreements.

The Company and its subsidiary have entered into an asset management agreement with an AmTrust affiliate.

Also, the Company's subsidiary has entered into a reinsurance brokerage agreement with AII Reinsurance Broker Ltd., a subsidiary of AmTrust, appointing AII Reinsurance Broker Ltd. reinsurance broker on the proposed quota-share reinsurance agreements between the Company's subsidiary and the subsidiaries of AmTrust.

7. Earnings Per Share

The following, is a summary of the elements used in calculating basic and diluted loss per share (amounts in $000s):

		Period from May 31 through June 14, 2007
Net loss	$	(126)
Weighted average number of shares outstanding - basic and diluted		520
Net loss - basic and diluted loss per share	$	(0.24)

Weighted average warrants outstanding of 270,000 for the period have been excluded as these were anti-dilutive to earnings per share.

8. Subsequent Events

On June 15, 2007, the Company received $4,000 from the Founding Shareholders for payment related to the subscription receivable as discussed in Note 1 (Formation). An additional $25,000 has been collected.

On June 20, 2007, the Bermuda Monetary Authority ("BMA") approved the formation of Maiden Holdings, Ltd. allowing for the change in jurisdiction of organization as discussed in Note 1 (Description of Business). On July 2, 2007 with an effective date of June 29, 2007 the BMA approved the registration of the Company's insurance subsidary, Maiden Insurance Company, Ltd.

On July 3 and July 13, 2007, the Company sold an aggregate of 51,750,000 common shares in a private placement exempt from registration under the Securities Act at a purchase price of $9.30 per share to Friedman, Billings, Ramsey & Co., Inc., the initial purchaser of some of the shares, and directly to certain investors. Friedman, Billings, Ramsey & Co., Inc. resold the shares it purchased to investors pursuant to Rule 144A and Regulation S under the Securities Act. The Company raised approximately $480.6 million in net proceeds from the private offering. The Company used approximately $450 million of these proceeds and the $50.0 million our Founding Shareholders invested in the Company, a total of approximately $500 million, to capitalize Maiden Insurance, the Company's reinsurance subsidiary.

On August 21, 2007, the Company's Board of Directors approved a quarterly cash dividend of $0.025 per share of common stock. The dividend is payable on October 15, 2007 to shareholders of record as of October 1, 2007.

2007 Share Incentive Plan

The Company has adopted a 2007 Share Incentive Plan (the "Plan") providing for grants of any options or restricted shares. The total number of shares reserved for issuance under the Plan is expected to be 2,800,000 common shares. The Plan is expected to be administered by the Compensation Committee of the Board of Directors. Grant prices will be established at the fair market value of the Company's common shares at the date of grant.

GLOSSARY OF SELECTED REINSURANCE, INSURANCE AND INVESTMENT TERMS

Acquisition expense: The aggregate of policy acquisition costs attributable to underwriting operations, including ceding and direct commissions as well as premium taxes, excise taxes and assessments, if applicable.

Broker: One who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other service rendered, between (1) a policyholder and a primary insurer, on behalf of the insured party, (2) a primary insurer and reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionaire, on behalf of the reinsurer.

Capacity: The percentage of surplus, or the dollar amount of exposure, that an insurer or reinsurer is willing or able to place at risk.

Case reserves: Loss reserves established with respect to specific, individual reported claims.

Casualty insurance: Insurance that is primarily concerned with the losses caused by injuries to third persons (in other words, persons other than the policyholder) and the resulting legal liability imposed on the underlying insured resulting therefrom.

Catastrophe; Catastrophic: A severe loss or disaster, typically involving multiple claimants. Common perils include earthquakes, hurricanes, hailstorms, severe winter weather, floods, fires, tornadoes, explosions and other natural or man-made disasters. Catastrophe losses may also arise from acts of war, acts of terrorism and political instability.

Catastrophe loss: Loss and directly identified loss adjustment expense from catastrophes.

Cede; Cedent; Ceding company: When a party reinsures its liability with another, it transfers or “cedes” business (premiums or losses) and is referred to as the “cedent” or “ceding company.”

Ceding commission: A fee based upon the ceding company’s cost of acquiring the business being reinsured (including commissions, premium taxes, assessments and miscellaneous administrative expense), which also may include a profit factor.

Claim: Request by an insured or reinsured for indemnification by an insurance company or a reinsurance company for loss incurred from an insured peril or event.

Combined ratio: The sum of the loss ratio and the expense ratio. A combined ratio below 100% generally indicates profitable underwriting prior to the consideration of investment income. A combined ratio over 100% generally indicates unprofitable underwriting prior to the consideration of investment income. A combined ratio can be stated on a gross basis (before the effects of reinsurance) or a net basis (after the effects of reinsurance).

Deductible: With respect to an insurance policy, the amount of loss that an insured retains, although the insurer is legally responsible for losses within the deductible and looks to the insured for reimbursement for such losses. This is in contrast to a self-insured retention (SIR), where the insurer is only responsible for claims in excess of the SIR, regardless of the financial status of the insured. With respect to a reinsurance agreement, an amount of loss that a ceding company retains within a layer of reinsurance and does not cede to the reinsurer.

Excess of loss:	A generic term describing insurance or reinsurance that indemnifies the insured or the reinsured against all or a specified portion of losses on underlying insurance policies in excess of a specified amount, which is called a "retention." Also known as non-proportional insurance or reinsurance. Excess of loss insurance or reinsurance is written in layers. An insurer or reinsurer or group of insurers or reinsurers accepts a band of coverage up to a specified amount. The total coverage purchased by the cedent is referred to as a "program" and will typically be placed with predetermined insurers or reinsurers in pre-negotiated layers. Any liability exceeding the outer limit of the program reverts to the ceding company, which also bears the credit risk of an insurer's or reinsurer's insolvency.
Exclusions:	Provisions in an insurance or reinsurance policy excluding certain risks or otherwise limiting the scope of coverage.
Expense ratio:	The ratio of acquisition expenses, salaries and benefits and other insurance general and administrative expenses to premiums earned. The expense ratio can be stated on a gross basis (before the effects of reinsurance) or a net basis (after the effects of reinsurance, in which expenses may be reduced by the amount (if any) of ceding commissions received on the ceded business).
Exposure:	The possibility of loss. It is also a unit of measure of the amount of risk a company assumes.
Extended Warranty:	A contract or agreement to repair or replace or to provide indemnification for the repair or replacement of a product or specified parts due to mechanical failure. An extended warranty, which may be offered by the manufacturer, retailer or other warranty provider for consideration which is separate from or in addition to the purchase price of the product, provides coverage for a specific period of time upon expiration of or for parts which are not covered by the manufacturer's warranty, if any, which is included in the purchase price of the product.
Facultative Reinsurance:	The reinsurance of all or a portion of the insurance provided by a single policy. Each policy reinsured is separately negotiated.
Frequency:	The number of claims occurring during a given coverage period. This is sometimes quoted as number of claims per unit of exposure.
Generally accepted accounting principles ("GAAP"):	Generally accepted accounting principles as defined by the American Institute of Certified Public Accountants or statements of the Financial Accounting Standards Board. GAAP is the method of accounting to be used by Maiden Holdings for reporting to shareholders.
Gross premiums written:	Total premiums for insurance or reinsurance written during a given period.
Incurred but not reported ("IBNR"):	Reserves for estimated losses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer, including unknown future developments on losses which are known to the insurer or reinsurer.
Layer:	The interval between the retention or attachment point and the maximum limit of indemnity for which an insurer or reinsurer is responsible.
Loss ratio:	The ratio of losses and loss adjustment expense to premiums earned. The loss ratio can be stated on a gross basis (before the effects of reinsurance) or a net basis (after the effects of reinsurance).
Loss reserves:	Reserves established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay with respect to insurance or reinsurance it has written.

Losses and loss adjustment expense:	The expense of settling claims, including legal and other fees and the portion of general expenses allocated to claim settlement costs (also known as claim adjustment expenses) plus losses incurred with respect to claims.
Losses incurred:	The total losses sustained by an insurer or reinsurer under a policy or policies, whether paid or unpaid. Incurred losses include a provision for IBNR.
Managing general agent:	An insurance intermediary that aggregates business from retail and general agents and manages business on behalf of insurance companies, including functions such as risk selection and underwriting, premium collection, policy form design and client service.
Net premiums earned:	The portion of net premiums written during or prior to a given period that was actually recognized as income during such period.
Net premiums written:	Gross premiums written for a given period less premiums ceded to reinsurers during such period.
Premiums:	The amount charged during the term on policies and contracts issued, renewed or reinsured by an insurance company or reinsurance company.
Program:	Refers to an aggregation of narrowly defined classes of insurance business with some element of similarity that are underwritten on an individual policy basis by managing general agents on behalf of insurance companies.
Property insurance:	Insurance that provides coverage to a person with an insurable interest in tangible property for that person’s property loss, damage or loss of use.
Quota share reinsurance:	A type of reinsurance (also called proportional reinsurance) under which the insurer cedes a fixed or variable percentage of liabilities, premiums and losses for each policy covered on a pro rata basis. In quota share reinsurance, the reinsurer generally pays the ceding company a ceding commission.
Rates:	Amounts charged per unit of insurance and reinsurance (also sometimes shown per unit of exposure).
Reinsurance:	An arrangement in which an insurance company, the reinsurer, agrees to indemnify another insurance or reinsurance company, the ceding company, against all or a portion of the insurance or reinsurance risks underwritten by the ceding company under one or more policies. Reinsurance can provide a ceding company with several benefits, including a reduction in net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a ceding company with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without a concomitant increase in capital and surplus, and facilitates the maintenance of acceptable financial ratios by the ceding company. Reinsurance does not legally discharge the primary insurer from its liability with respect to its obligations to the insured.
Reinsurance agreement:	A contract specifying the terms of a reinsurance transaction (also known as a reinsurance certificate).
Reported losses:	Claims or potential claims that have been identified to a reinsurer by a ceding company or to an insurer by an insured.

Reserves:	Liabilities established by insurers and reinsurers to reflect the estimated costs of claim payments and the related expenses that the insurer or reinsurer will ultimately be required to pay with respect to insurance or reinsurance it has written. Reserves are established for losses, for loss expenses and for unearned premiums. Loss reserves consist of "case reserves," or reserves established with respect to individual reported claims, and "IBNR reserves." For reinsurers, loss expense reserves are generally not significant because substantially all of the loss expenses associated with particular claims are incurred by the primary insurer and reported to reinsurers as losses. Unearned premium reserves constitute the portion of premium paid in advance for insurance or reinsurance that has not yet been provided. See also "Loss reserves."
Retention:	The amount or portion of risk that an insurer retains for its own account. Losses in excess of the retention level up to the outer limit of the policy or program, if any, that do not fall within any applicable deductible are paid by the reinsurer. In proportional agreements, the retention may be a percentage of the original policy's limit. In excess of loss business, the retention is a dollar amount of loss, a loss ratio or a percentage. Retention may also mean that portion of the loss retained by the insured or policyholder. Most insureds do not purchase insurance to cover their entire exposure. Rather, they elect to take a deductible or self-insured retention, a portion of the risk that they will cover themselves.
Specialty lines:	Lines of insurance that provide coverage for risks that are often unusual or difficult to place and do not fit the underwriting criteria of standard commercial products carriers.
Statutory accounting principles ("SAP"):	The rules and procedures prescribed or permitted by United States state insurance regulatory authorities including the National Association of Insurance Commissioners for recording transactions and preparing financial statements, which in general reflect a liquidating, rather than going concern, concept of accounting.
Treaty reinsurance; Reinsurance treaties:	The reinsurance of a specified type or category of risks defined in a reinsurance agreement between a primary insurer or other reinsured and a reinsurer. Typically, in treaty reinsurance, the primary insurer or reinsured is obligated to offer, and the reinsurer is obligated to accept, a specified portion of all of the specified type or category of risks originally written by the primary insurer or reinsured. Treaty reinsurance can be contrasted with facultative reinsurance, in which the reinsurance of each policy is separately negotiated.
Underwriter:	An employee of an insurance or reinsurance company who examines, accepts or rejects risks and classifies accepted risks in order to charge an appropriate premium for each accepted risk. The underwriter is expected to select business that will produce an average risk of loss no greater than that anticipated for the class of business.
Underwriting:	The insurer's or reinsurer's process of reviewing applications for coverage, and the decision whether to accept all or part of the exposure and determination of the applicable premiums; also refers to the acceptance of that coverage.
Workers' compensation:	A system (established under state and federal laws) under which employers provide insurance for benefit payments to their employees for work-related injuries, deaths and diseases, regardless of fault.

You may rely only on the information contained in this prospectus or to which we have referred you. Neither we nor the selling shareholders have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the selling shareholders are making an offer to sell, or are soliciting an offer to buy, these securities in any circumstances in which such offer or solicitation is unlawful. The information appearing in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date, and neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, crease any implication that the information contained in this prospectus is correct as of any time after its date.

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59,550,000
Common Shares

PROSPECTUS

, 2007

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The expenses in connection with the registration of the common shares covered by this prospectus are set forth in the following table. All amounts except the registration fee are estimated:

Securities and Exchange Commission registration fee	$	16,454
NASDAQ/New York Stock Exchange listing fee		*
NASD filing fee		*
Printing and engraving expenses		*
Accounting fees and expenses		*
Legal fees and expenses		*
Miscellaneous		*
Total	$	*

* To be filed by amendment

All expenses in connection with the issuance and distribution of the securities being offered shall be borne by the registrant, other than underwriting discounts and selling commissions, if any.

Item 14. Indemnification of Directors and Officers.

Indemnification of Directors and Officers

We are a Bermuda exempted company. Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

We have adopted provisions in our bye-laws that provide that we will indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. Our bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain a directors' and officers' liability policy for such a purpose.

Item 15. Recent Sales of Unregistered Securities

The following information relates to the securities we have issued or sold since our incorporation on May 31, 2007 that were not registered under the Securities Act of 1933, as amended (the "Securities Act").

(i) On June 14, 2007, we issued 7,800,000 of our common shares, with an initial par value of $0.01 per share, to Michael Karfunkel, George Karfunkel and Barry Zyskind (together, our "Founding Shareholders"), our founding shareholders, in consideration of their $50.0 million investment in us. These shares were issued pursuant to the exemption provided by Section 4(2) of the Securities Act for transactions not involving a public offering.

(ii) On June 14, 2007, we issued warrants to our Founding Shareholders to purchase up to 4,050,000 of our common shares. These warrants are exercisable at $10.00 per share and have a 10-year term. The warrants were issued pursuant to the exemption provided by Section 4(2) under the Securities Act for a transaction not involving a public offering.

(iii) On July 3 and July 13, 2006, we issued an aggregate of (1) 43,953,534 of our common shares to Friedman, Billings, Ramsey & Co., Inc. ("FBR") as the initial purchaser at a purchase price of $9.30 per share, and (2) 7,796,466 of our common shares directly to "accredited investors" (as defined under Rule 501(a) under the Securities Act) at an offering price of $10.00 per share. The shares purchased by FBR were resold by FBR to investors at $10.00 per share pursuant to Rule 144A and Regulation S under the Securities Act. The aggregate offering price to investors was $517,500,000.

The issuances we made to FBR and to "accredited investors" were made pursuant to the exemption provided by Section 4(2) of the Securities Act for transactions not involving a public offering.

FBR received a discount of $0.70 per share with respect to 43,953,534 of the common shares sold pursuant to Rule 144A and Regulation S under the Securities Act and a placement fee of $0.70 per share with respect to 7,796,466 of the common shares that we sold directly to "accredited investors," for an aggregate discount/placement fee of $36,225,000.

(iv) On July 3, 2007, we granted options to (1) certain officers to purchase an aggregate of 425,000 common shares and (ii) our non-employee directors to purchase an aggregate of 36,000 common shares, each pursuant to 2007 share incentive plan. These options are exercisable at $10.00 per share and have a 10-year term. The options granted to our officers will vest in installments over a period of four years. The options granted to our non-employee directors will vest on the first anniversary of the date of grant. The options were granted pursuant to the exemption provided by Section 4(2) under the Securities Act for transactions not involving a public offering.

Item 16. Exhibits and Financial Statement Schedules.

Exhibit Number	Description
1.1	Purchase/Placement Agreement by and between Maiden Holdings and Friedman, Billings, Ramsey & Co., Inc., dated June 26, 2007
3.1	Memorandum of Association of Maiden Holdings
3.2	Bye-Laws of Maiden Holdings
4.1	Form of Common Share Certificate
4.2	Warrant granted by Maiden Holdings to George Karfunkel, effective June 14, 2007
4.3	Warrant granted by Maiden Holdings to Michael Karfunkel, effective June 14, 2007
4.4	Warrant granted by Maiden Holdings to Barry D. Zyskind, effective June 14, 2007
4.5	Registration Rights Agreement by and between Maiden Holdings and Friedman, Billings, Ramsey & Co., Inc., dated as of July 3, 2007
4.6	Registration Rights Agreement by and between Maiden Holdings and George Karfunkel, Michael Karfunkel and Barry D. Zyskind, dated as of July 3, 2007
5.1	Opinion of Conyers Dill & Pearman*

Exhibit Number	Description
10.1	Employment Agreement between Maiden Holdings and Max G. Caviet, dated as of July 3, 2007
10.2	Employment Agreement between Maiden Holdings and Bentzion S. Turin, dated as of July 3, 2007
10.3	2007 Share Incentive Plan
10.4	Form of Share Option Agreement for Executive Employee Recipients of Options under 2007 Share Incentive Plan
10.5	Form of Share Option Agreement for Non-Employee Director Recipients of Options under 2007 Share Incentive Plan
10.6	Master Agreement, dated as of July 3, 2007, by and between Maiden Holdings and AmTrust
10.7	Amendment No. 1 to the Master Agreement, dated as of September 17, 2007, by and between Maiden Holdings and AmTrust
10.8	Quota Share Reinsurance Agreement, entered into as of September 17, 2007, by and between Maiden Insurance and AmTrust International Insurance Ltd.
10.9	Asset Management Agreement, entered into as of July 3, 2007, by and between AII Insurance Management Limited and Maiden Insurance
10.10	Reinsurance Brokerage Agreement, entered into as of July 3, 2007, by and between Maiden Insurance and AII Reinsurance Broker Ltd.
21.1	List of subsidiary of Maiden Holdings
23.1	Consent of PricewaterhouseCoopers (Bermuda)
23.2	Consent of Conyers Dill & Pearman (to be included in Exhibit 5.1)*
23.3	Consent of LeBoeuf, Lamb, Greene & MacRae LLP*
24.1	Power of Attorney
99.1	Form F-N

* To be filed by amendment.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in aggregate, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any other material change to such information in the registration statement.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser, if the Registrant is subject to Rule 430C under the Securities Act, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by our directors, officers or controlling persons in the successful defense of any action, suit or proceeding) is asserted by any of our directors, officers or controlling persons in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hamilton, Bermuda on this seventeenth day of September, 2007.

MAIDEN HOLDINGS, LTD.

/s/ Bentzion S. Turin

Bentzion S. Turin
Chief Operating Officer, General Counsel and Assistant Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	Chairman of the Board	September 17, 2007
Barry D. Zyskind		
*	President, Chief Executive Officer and Director (Principal Executive Officer)	September 17, 2007
Max G. Caviet		
*	Interim Chief Financial Officer (Principal Financial and Accounting Officer)	September 17, 2007
Ronald E. Pipoly, Jr.		
/s/ Bentzion S. Turin	Chief Operating Officer, General Counsel and Assistant Secretary	September 17, 2007
Bentzion S. Turin		
*	Director	September 17, 2007
Simcha Lyons		
*	Director	September 17, 2007
Raymond M. Neff		
*	Director	September 17, 2007
Steven H. Nigro		
/s/ Bentzion S. Turin	Authorized Representative in the United States	September 17, 2007
Bentzion S. Turin		

* By: /s/ Bentzion S. Turin

Attorney-in-fact.

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24.1	Power of Attorney
99.1	Form F-N

* To be filed by amendment.

EXHIBIT 1.1

EXECUTION COPY

MAIDEN HOLDINGS, LTD.

45,000,000 Shares of Common Stock

PURCHASE/PLACEMENT AGREEMENT

June 26, 2007

PURCHASE/PLACEMENT AGREEMENT

June 26, 2007

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.
1001 19th Street North
Arlington, Virginia 22209

Dear Sirs:

Maiden Holdings, Ltd., a Bermuda company limited by shares (the "Company"), proposes to issue and sell to you, Friedman, Billings, Ramsey & Co., Inc. ("FBR"), as initial purchaser, a number of shares of the Company's common stock, par value $0.01 per share (the "Common Stock") equal to 45,000,000 shares less the number of Regulation D Shares sold in the Private Placement (each as defined herein) (the "144A/Regulation S Shares").

FBR will also act as the Company's sole placement agent in connection with the Company's offer and sale to certain "Accredited Investors" (as such term is defined in Regulation D ("Regulation D") under the Securities Act of 1933, as amended (the "Securities Act") of (a) that number of shares of Common Stock equal to the difference between 45,000,000 shares and the number of 144A/Regulation S Shares (the "Regulation D Shares" and, together with the 144A/Regulation S Shares, the "Initial Shares"), and (b) the Placed Option Shares (as defined herein), as set forth in the Final Memorandum (as defined herein) under the headings "Plan of Distribution"' and "Private Placement". The offer and sale of the shares described in the first sentence of this paragraph (the "Private Placement Shares") is referred to herein as the "Private Placement".

In addition, the Company proposes to grant to you the option described in Section 1(c) hereof to purchase or place all or any part of 6,750,000 additional shares of Common Stock (the "Option Shares" and, together with the Initial Shares, the "Shares") to cover additional allotments, if any.

The offer and sale of the Shares to you and to the Accredited Investors, respectively, will be made without registration of the Shares under the Securities Act and the rules and regulations thereunder (the "Securities Act Regulations"), in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof. You have advised the Company that you will make offers and sales ("Exempt Resales") of the 144A/Regulation S Shares and the Purchased Option Shares (as defined herein) purchased by you hereunder (such shares referred to collectively herein as "Resale Shares") in accordance with Section 3 hereof on the terms set forth in the Final Memorandum (as defined herein), as soon as you deem advisable after this Agreement has been executed and delivered.

In connection with the offer and sale of the Shares, the Company has prepared a preliminary offering memorandum, subject to completion, dated June 7, 2007 (the "Preliminary Memorandum"), each of the supplements to the Preliminary Memorandum, dated June 21, 2007 and June 26, 2007, respectively (each a "Supplement" and, collectively, the "Supplements") and a final offering memorandum, dated the date hereof and as it may be amended or supplemented from time to time (the "Final Memorandum"). Each of the Preliminary Memorandum, the Supplements and the Final Memorandum sets forth certain information concerning the Company and the Shares. The Company hereby confirms that it has authorized the use of the Preliminary Memorandum, the Supplements and the Final Memorandum in connection with (i) the offering and resale of the Resale Shares by FBR and by all dealers to whom Resale Shares may be sold and (ii) the Private Placement. Any references to the Preliminary Memorandum, the Supplements or the Final Memorandum shall be deemed to include all exhibits and annexes thereto.

It is understood and acknowledged that holders (including subsequent transferees) of the Shares will have the registration rights set forth in the registration rights agreement between the Company and FBR, which shall be in substantially the form attached hereto as Exhibit A and dated as of the Closing Time (as defined herein) (the "Registration Rights Agreement"), for so long as their Shares constitute "Registrable Shares" (as defined in the Registration Rights Agreement).

Pursuant to, and subject to the terms of, the Registration Rights Agreement, the Company will agree to file with the Securities and Exchange Commission (the "Commission"), under the circumstances set forth therein, (i) a registration statement on Form S-1 under the Securities Act for the initial public offering of Common Stock that includes the resale by holders of the Registrable Shares (if any holders of Registrable Shares so request) and/or (ii) a shelf registration statement on Form S-1 or such other appropriate form pursuant to Rule 415 under the Securities Act relating to the resale by holders of the Registrable Shares, and to use its best efforts to cause any such registration statement to be declared effective.

The Company and FBR agree as follows:

1. Sale and Purchase.

(a) *144A/Regulation S Shares.* Upon the basis of the warranties and representations and other terms and conditions herein set forth, the Company agrees to issue and sell to FBR and FBR agrees to purchase from the Company the 144A/Regulation S Shares at a purchase price of $9.30 per share (the "144A/Regulation S Purchase Price").

(b) *Regulation D Shares*. The Company agrees to issue and sell the Regulation D Shares and, to the extent that FBR exercises the option described in Section 1(c), the Placed Option Shares, for which the Accredited Investors have subscribed pursuant to the terms and conditions set forth in the subscription agreements substantially in the forms attached to the Preliminary Memorandum as Annex III and Annex IV, as applicable (each a "Subscription Agreement"). The Private Placement Shares will be sold by the Company pursuant to this Agreement at a price of $10.00 per share (the "Regulation D Purchase Price"). As compensation for the services to be provided by FBR in connection with the Private Placement, the Company shall pay to FBR at each of the Closing Time, the Extended Closing Time (as defined herein), to the extent applicable and any Secondary Closing Time (as defined herein), to the extent applicable, an amount equal to $0.70 per Private Placement Share sold at such time (the "Placement Fee").

(c) *Option Shares.* Upon the basis of the representations and warranties and subject to the other terms and conditions herein set forth, the Company hereby grants an option to FBR to (i) purchase from the Company, as initial purchaser, up to an aggregate of 6,750,000 Option Shares at the 144A/Regulation S Purchase Price per share (the "Purchased Option Shares"); and (ii) place, as exclusive placement agent for the Company, up to that number of Option Shares remaining, after subtracting any Purchased Option Shares with respect to which FBR has exercised its option pursuant to clause (i), at the Regulation D Purchase Price per share (the "Placed Option Shares"). The option granted hereby will expire thirty (30) days after the date hereof and may be exercised in whole or in part from time to time in one or more installments, including at the Closing Time, only for the purpose of covering additional allotments which may be made in connection with the offering and distribution of the Initial Shares upon written notice by FBR to the Company setting forth (i) the number of Option Shares as to which FBR is then exercising the option, (ii) the names and denominations to which the Option Shares are to be delivered in book-entry form through the facilities of The Depository Trust Company ("DTC"), (iii) the number of Option Shares that will be Purchased Option Shares and the number of Option Shares that will be Placed Option Shares, and (iv) the time and date of payment for and delivery of such Option Shares in book-entry form. Any such time and date of delivery shall be determined by FBR, but shall not be later than five (5) full business days nor earlier than one (1) full business day after the exercise of said option, nor in any event prior to the Closing Time, unless otherwise agreed in writing by FBR and the Company.

2. Payment and Delivery.

(a) *144A/Regulation S Shares.* The closing of FBR's purchase of the 144A/Regulation S Shares shall be held at the office of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (unless another place shall be agreed upon by FBR and the Company). At the closing, subject to the satisfaction or waiver of the closing conditions set forth herein, FBR shall pay to the Company the aggregate purchase price for the 144A/Regulation S Shares by wire transfer of immediately available funds to an account previously designated by the Company in writing against delivery by the Company of the 144A/Regulation S Shares to FBR for FBR's account through the facilities of DTC in such denominations and registered in such names as FBR shall specify. Such payment and delivery shall be made at 10:00 a.m., New York City time, on the fifth business day after the date hereof (unless another time, not later than ten (10) business days after such date, shall be agreed to by FBR and the Company). The time at which such payment and delivery are actually made is hereinafter called the "Closing Time".

(b) *Regulation D Shares*. At the Closing Time, subject to the satisfaction of the closing conditions set forth herein, FBR shall pay to the Company the aggregate applicable purchase price for the Regulation D Shares received by FBR prior to the Closing Time (net of any Placement Fee, if the Placement Fee is withheld as provided in the immediately following paragraph) against the Company's delivery of the Regulation D Shares to FBR, as placement agent in respect of such shares, in book-entry form through the facilities of DTC for each such Accredited Investor's account. At FBR's option, it may delay the placement of up to 3% of Regulation D Shares (the "Extended Regulation D Shares") for an additional five (5) business days after the Closing Time (the "Extended Regulation D Closing Date") at which time FBR shall cause an escrow agent, to the extent it has funds transferred to it by Accredited Investors, to pay the Company the aggregate applicable purchase price for the Extended Regulation D Shares placed by FBR (net of any Placement Fee, if the Placement Fee is withheld as provided herein) against the Company's delivery of the Extended Regulation D Shares to the purchasers thereof, in book-entry form through the facilities of DTC. Extended Regulation D Shares may only be placed with Accredited Investors who have committed to purchase Regulation D Shares before the Closing Time. The time at which payment and delivery on an Extended Regulation D Closing Date is actually made is hereinafter sometimes called the "Extended Closing Time." On the Extended Regulation D Closing Date, FBR shall purchase as Initial Shares any unpaid Extended Regulation D Shares at the 144A/Regulation S Purchase Price described in Section 1(a) above.

At each of the Closing Time or any Extended Closing Time, unless FBR has withheld such amount from the applicable purchase price paid by FBR to the Company with respect to the Regulation D Shares placed by FBR on such date, the Company shall pay to FBR, by wire transfer of immediately available funds to an account or accounts designated by FBR, any Placement Fee amount payable with respect to the Regulation D Shares for which the Company shall have received the purchase price.

(c) *Option Shares*. The closing of FBR's purchase or placement of the Option Shares shall occur from time to time at the office of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (unless another place shall be agreed upon by FBR and the Company). On the applicable Secondary Closing Time (as defined herein), subject to the satisfaction or waiver of the closing conditions set forth herein, FBR shall pay to the Company the aggregate applicable purchase price for the Option Shares then purchased or placed by FBR (net of any Placement Fee with respect to any Placed Option Shares) by wire transfer of immediately available funds against the Company's delivery of the Option Shares. Such payment and delivery shall be made at 10:00 a.m., New York City time, on each Secondary Closing Time. The Option Shares shall be delivered in book-entry form through the facilities of DTC, in such names and in such denominations as FBR shall specify. The time at which payment by FBR for and delivery by the Company of any Option Shares are actually made is referred to herein as a "Secondary Closing Time".

3. Offering of the Shares; Restrictions on Transfer.

(a) FBR represents and warrants to and agrees with the Company that it is an Accredited Investor. FBR represents and warrants to and agrees with the Company that (i) it (and each person acting on its behalf) has not solicited and will not solicit any offer to buy, and has not and will not make any offer to sell, the Shares by means of any form of general solicitation or general advertising (within the meaning of Regulation D, and, with respect to Resale Shares sold in reliance on Regulation S under the Securities Act ("Regulation S"), by means of any directed selling efforts (within the meaning of Regulation S); and (ii) it (and each person acting on its behalf) has solicited and will solicit offers to buy the Resale Shares only from, and has offered and will offer, sell and deliver the Resale Shares only to, (A) persons who it reasonably believes to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("QIBs") or, if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a QIB to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in transactions under Rule 144A and who provide to it a fully completed and executed purchaser's letter substantially in the form of Annex I to the Preliminary Memorandum or Final Memorandum, and (B) persons (each a "Regulation S Purchaser") to whom, and under which circumstances, it reasonably believes offers and sales of Resale Shares may be made without registration under the Securities Act in reliance on Regulation S thereunder, and who provide to it a fully completed and executed purchaser's letter substantially in the form of Annex II to the Preliminary Memorandum or Final Memorandum (such persons specified in clauses (A) and (B) being referred to herein as the "Eligible Purchasers"). FBR will provide a copy of each certificate or agreement that it receives from an Eligible Purchaser regarding its status as an Eligible Purchaser to the Company as soon as reasonably practicable after FBR receives such certificate or agreement. FBR agrees to abide by the provisions of Rule 902(g)(1) of the Securities Act Regulations. Each of the Company and FBR represents, warrants and agrees that it is familiar with the rules and restrictions set forth in Regulation S and that it (and any person acting on its behalf; provided that the Company makes no representation, warranty or covenant in this Agreement with respect to FBR) has not undertaken any activity for the purpose of, or that would reasonably be expected to have the effect of, conditioning the market in the United States for any Resale Shares being offered in reliance on Regulation S. FBR further agrees with the Company that, in the case of any sale of Resale Shares to a distributor, a dealer (as defined in Section 2(a)(12) of the Securities Act) or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the distribution compliance period set forth in Rule 903(b)(3) of Regulation S, it will use commercially reasonable efforts to send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to FBR. FBR agrees not to engage in hedging transactions with regard to the Resale Shares except in compliance with the Securities Act.

(b) The Company represents and warrants to and agrees with FBR that it (together with its respective affiliates) has not solicited and will not solicit any offer to buy, and it (together with its respective affiliates) has not offered and will not offer to sell, the Shares by means of any form of general solicitation or general advertising (within the meaning of Regulation D), and it has solicited and will solicit offers to buy the Private Placement Shares only from, and has offered and will offer, sell or deliver the Shares only to, Accredited Investors. The Company also represents and warrants and agrees that it will sell the Private Placement Shares only to persons that have provided to the Company a fully completed and executed Subscription Agreement in the form of Annex III or Annex IV, as applicable, to the Preliminary Memorandum or Final Memorandum.

(c) The Company represents and warrants to and agrees with FBR that, assuming the accuracy of FBR's representations and warranties and FBR's compliance with its obligations set forth in this Section 3, (i) none of the Company or any of its respective affiliates or any person acting on behalf of it or its affiliates has engaged in, nor will it engage in, any directed selling efforts (as that term is defined in Regulation S) with respect to the Shares; and (ii) the Company or any of its respective affiliates, and any person acting on behalf of it or its affiliates (in each case, other than FBR as to which no representation, warranty or covenant is made by the Company in this Agreement) have complied, and will comply, with the offering restrictions requirement of Regulation S.

(d) FBR represents and warrants that it (or any person acting on its behalf) has not offered or sold, nor will it offer or sell, any Resale Shares in a jurisdiction outside of the United States except in material compliance with all applicable laws, regulations and rules of those countries and in accordance with the selling restrictions described in the Preliminary Memorandum, the Supplements and the Final Memorandum.

(e) Each of FBR and the Company severally represents and warrants to the other that no action is being taken by it (and any person acting on its behalf; provided that the Company makes no representation, warranty or covenant in this Agreement with respect to FBR) or is contemplated that would permit an offering or sale of the Shares or possession or distribution of the Preliminary Memorandum, the Supplements or the Final Memorandum or any other offering material relating to the Shares in any jurisdiction where, or in any other circumstances in which, action for those purposes is required (other than in jurisdictions where such action has been duly taken by counsel for FBR).

(f) FBR and the Company agree that FBR may arrange (i) for the private offer and sale of a portion of the Resale Shares to a limited number of Eligible Purchasers (which may include affiliates of FBR), and (ii) for the private offer and sale of the Private Placement Shares by the Company to Accredited Investors (which may include affiliates of FBR), in each case under restrictions and other circumstances designed to preclude a distribution of the Shares that would require registration of the Shares under the Securities Act or the securities laws of any other jurisdiction.

(g) FBR and the Company agree that the Shares may be resold or otherwise transferred by the holders thereof only if the offer and sale of such Shares are registered under the Securities Act or if an exemption is available from registration under the Securities Act and the securities laws of each other applicable jurisdiction. FBR hereby represents, warrants and agrees that it has observed and will observe the following procedures in connection with offers, sales and subsequent resales or other transfers of any Shares placed by FBR:

(i) Sales only to Eligible Purchasers. Initial offers and sales of the Resale Shares will be made only in Exempt Resales by FBR to investors that FBR reasonably believes to be Eligible Purchasers and who have delivered to the Company and FBR a fully completed and executed purchaser's letter substantially in the form of Annex I or II, as applicable, to the Preliminary Memorandum or Final Memorandum.

(ii) No general solicitation. The Shares will be offered only by approaching prospective purchasers on an individual basis with whom FBR and or the Company has an existing relationship. No general solicitation or general advertising within the meaning of Regulation D will be used in connection with the offering of the Shares.

(iii) Restrictions on transfer. Each of the Preliminary Memorandum and the Final Memorandum shall state that the offer and sale of the Shares have not been and will not be registered (other than pursuant to the Registration Rights Agreement) under the Securities Act, and that no resale or other transfer of any Shares or any interest therein prior to the date that is two years (or such shorter period as is prescribed by Rule 144(k) under the Securities Act as then in effect) after the later of the original issuance of such Shares and the last date on which the Company or any "affiliate" (as defined in Rule 144 under the Securities Act) of the Company was the owner of such Shares may be made by a purchaser of such Shares except as follows:

(A) to the Company or any subsidiary thereof,

(B) pursuant to a registration statement that has been declared effective under the Securities Act,

(C) for so long as the Shares are eligible for resale pursuant to Rule 144A under the Securities Act, in a transaction complying with the requirements of Rule 144A to a person who such purchaser reasonably believes is a QIB that purchases for its own account or for the account of a QIB and to whom notice is given that the offer, resale, pledge or transfer is being made in reliance on Rule 144A,

(D) pursuant to offers and sales that occur in "offshore transactions" to persons who are not "U.S. persons" within the meaning of (and as such terms are defined in) Regulation S, with the consent of the Company,

(E) to an Accredited Investor that is acquiring the Shares for his, her or its own account or an investment adviser who is acquiring the Shares for the account of an Accredited Investor for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof, or

(F) pursuant to any other available exemption from the registration requirements of the Securities Act,

in each case in accordance with any applicable federal securities laws and the securities laws of any state of the United States or of any other jurisdiction and in accordance with the selling restrictions described in the Final Memorandum.

(h) FBR and the Company agree that each initial resale of Resale Shares by FBR (and each purchase of Resale Shares from the Company by FBR) in accordance with this Section 3 shall be deemed to have been made on the basis of and in reliance on the representations, warranties, covenants and agreements (including, without limitation, agreements with respect to indemnification and contribution) of the Company herein contained.

4. Representations and Warranties of the Company.

Subject to Section 14, the Company hereby represents and warrants to FBR that, as of the date of this Agreement:

(a) each of the Preliminary Memorandum and the Supplements did not, as of its date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the Preliminary Memorandum and the Supplements, as amended and supplemented as of 7:00 p.m E.S.T. on June 26, 2007 (the "Applicable Time") (the "Disclosure Package") did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and the Final Memorandum will not, as of its date, at Closing Time and each Secondary Closing Time (if any), contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statement in or omission from the Preliminary Memorandum, the Supplements or Final Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by FBR expressly for use therein (that information being limited to that described in the last sentence of Section 8(b) hereof);

(b) the Company is a company limited by shares duly organized and validly existing and in good standing under the laws of Bermuda, with requisite corporate power and authority to own, lease or operate its properties and to conduct its business as described in the Disclosure Package and the Final Memorandum and to execute and deliver this Agreement and the Registration Rights Agreement, and to consummate the transactions contemplated hereby (including the issuance, sale and delivery of the Shares) and thereby;

(c) Maiden Insurance Company, Ltd. ("Maiden Insurance" or the "Subsidiary") is a company duly organized and validly existing and in good standing under the laws of its jurisdiction of incorporation, with requisite corporate power and authority to own, lease or operate its properties and to conduct its business as described in the Disclosure Package and the Final Memorandum;

(d) all issued and outstanding shares of the Subsidiary have been duly authorized and validly issued, are fully paid and nonassessable, and have not been issued in violation of or subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right of shareholders arising by operation of law, under the articles of incorporation or bye-laws of the Subsidiary, under any agreement to which the Subsidiary is a party or otherwise, and are owned by the Company free and clear of any pledge, security interests, liens, encumbrances, claims or equitable interests. The Company does not, and as of any Closing Date will not, own or control, directly or indirectly, any corporation, association or other entity other than the Subsidiary;

(e) the Company had, at the date indicated and at the Closing Time, the duly authorized capitalization set forth in the both the Disclosure Package and the Final Memorandum under the caption "Capitalization" after giving effect to the adjustments set forth thereunder; all of the issued and outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and have not been issued in violation of or subject to any pre-emptive right or other similar right of shareholders arising by operation of law, under the certificate of incorporation or bye-laws of the Company, under any agreement to which the Company is a party or otherwise; except as disclosed in or contemplated by both the Disclosure Package and the Final Memorandum, there are no outstanding (i) securities or obligations of the Company convertible into or exchangeable for any capital stock of the Company, (ii) warrants, rights or options to subscribe for or purchase from the Company any such capital stock or any such convertible or exchangeable securities or obligations or (iii) obligations of the Company to issue or sell any shares of capital stock, any such convertible or exchangeable securities or obligation, or any such warrants, rights or options;

(f) the Shares have been duly authorized for issuance, sale and delivery pursuant to this Agreement and, when issued and delivered by the Company against payment therefor in accordance with the terms of this Agreement, will be duly and validly issued and fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim except for any such pledge, lien, encumbrance, security interest or other claim resulting solely from the actions of FBR, the Eligible Purchasers or Accredited Investors purchasing Shares in the Private Placement, and the issuance, sale and delivery of the Shares by the Company are not subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right of shareholders arising by operation of law, under the articles of incorporation or bye-laws of the Company, under any agreement to which the Company is a party or otherwise, other than as provided for in the Registration Rights Agreement and in that certain Registration Rights Agreement between the Company and Michael Karfunkel, George Karfunkel and Barry Zyskind (the "Founding Shareholders Registration Rights Agreement"); the Shares satisfy the requirements set forth in Rule 144A under the Securities Act;

(g) each of the Company and the Subsidiary is duly qualified or licensed by, and is in good standing in, each jurisdiction in which it conducts its business, or in which it owns or leases property or maintains an office and in which such qualification or licensing is necessary and in which the failure, individually or in the aggregate, to be so qualified or licensed could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), results of operations or prospects of the Company and the Subsidiary taken as a whole (a "Material Adverse Effect");

(h) each of the Company and the Subsidiary has good and marketable title in fee simple to all real property and good title to all personal property reflected as owned by them in the Disclosure Package and the Final Memorandum, in each case free and clear of all liens, security interests, pledges, charges, encumbrances, mortgages and defects, except such as are disclosed in the both the Disclosure Package and the Final Memorandum or as could not reasonably be expected to have a Material Adverse Effect; any real property or personal property held under lease by the Company or the Subsidiary is held under a lease that is valid, existing and enforceable by the Company or such Subsidiary, with such exceptions as are disclosed in the Disclosure Package and the Final Memorandum or as could not reasonably be expected to have a Material Adverse Effect, and the Company has not received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or such Subsidiary under any such lease;

(i) the Company and the Subsidiary owns or possesses such licenses or other rights to use all patents, trademarks, service marks, trade names, copyrights, software and design licenses, trade secrets, manufacturing processes, other intangible property rights and know-how (collectively "Intangibles"), as are necessary to entitle the Company and the Subsidiary to conduct its business described in the Disclosure Package and the Final Memorandum, and neither the Company nor the Subsidiary has received written notice of any infringement of or conflict with (and, upon due inquiry, the Company does not know of any such infringement of or conflict with) asserted rights of others with respect to any Intangibles which could reasonably be expected to have a Material Adverse Effect;

(j) neither the Company nor the Subsidiary has violated, or received notice of any violation with respect to, any law, rule, regulation, order decree or judgment applicable to it and its business, including those relating to transactions with affiliates, environmental, safety or similar laws, federal or state laws relating to discrimination in the hiring, promotion or pay of employees, federal or state wages and hours law, the Employee Retirement Income Security Act or the rules and regulations promulgated thereunder, except for those violations that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(k) neither the Company nor the Subsidiary nor any officer, director, agent or employee purporting to act on behalf of the Company or the Subsidiary, has at any time, directly or indirectly, (i) made any contributions to any candidate for political office, or failed to disclose fully any such contributions, in violation of law, (ii) made any payment to any state, federal or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or allowed by applicable law (including the Foreign Corrupt Practices Act of 1977, as amended), (iii) engaged in any transactions, maintained any bank account or used any corporate funds except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company and the Subsidiary, (iv) violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (v) made any other unlawful payment;

(l) except as otherwise disclosed in both the Disclosure Package and the Final Memorandum, there are no outstanding loans or advances or guarantees of indebtedness by the Company or the Subsidiary to or for the benefit of any of the officers, directors, affiliates or representatives of the Company or the Subsidiary or any of the members of the families of any of them; any outstanding loans or advances or guarantees of indebtedness by the Company or the Subsidiary or to or for the benefit of any such persons will be repaid, satisfied or terminated, as the case may be, within 60 days after the Closing Time;

(m) except with respect to FBR, neither the Company nor the Subsidiary has incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated hereby;

(n) neither the Company nor the Subsidiary is in breach of, or in default under (nor has any event occurred which with notice, lapse of time, or both would constitute a breach of, or default under) its respective certificate of incorporation, memorandum of association, bye-laws, or other organizational documents (collectively, the "Charter Documents") or in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or such Subsidiary is a party or by which any of them or their respective properties may be bound or affected, except for such breaches or defaults which would not have a Material Adverse Effect;

(o) the execution, delivery and performance by the Company of this Agreement, and the execution, delivery and performance by the Company and the Subsidiary, as applicable, of the Registration Rights Agreement; the Founding Shareholders Registration Rights Agreement; the warrants dated as of June 14, 2007, issued by the Company in favor of the Founding Shareholders (the "Warrants"); the Master Agreement between the Company and AmTrust Financial Services, Inc. to be dated as of July 3, 2007 (the "Master Agreement"); the Asset Management Agreement among Maiden Insurance and AII Insurance Management Limited to be dated as of July 3, 2007 (the "Asset Management Agreement"); and the Reinsurance Brokerage Agreement by and between Maiden Insurance and AII Reinsurance Broker Ltd. to be dated as of July 3, 2007 (the "Brokerage Agreement" and, together with the Registration Rights Agreement, the Founding Shareholders Registration Rights Agreement, the Warrants, the Master Agreement and the Asset Management Agreement, the "Transaction Documents"), and the issuance, sale and delivery of the Shares by the Company and the consummation by the Company of the transactions contemplated hereby and, in the case of the Company and the Subsidiary, as applicable, thereby and compliance by the Company with the terms and provisions hereunder and, in the case of the Company and the Subsidiary, as applicable, thereunder will not conflict with, or result in any breach of or constitute a default under (nor constitute any event which with notice, lapse of time, or both would constitute a breach of, or default under), (i) any provision of the Charter Documents of the Company or the Subsidiary, (ii) any provision of any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or the Subsidiary is a party or by which it or its respective properties may be bound or affected, or (iii) any federal, state, local or foreign law, regulation or rule or any decree, judgment, permit or order applicable to the Company or the Subsidiary, except in the case of clauses (ii) or (iii) for such conflicts, breaches or defaults which have been validly waived or would not reasonably be expected to have a Material Adverse Effect or result in the creation or imposition of any material lien, charge, claim or encumbrance upon any property or asset of the Company or the Subsidiary;

(p) this Agreement has been duly authorized, executed and delivered by the Company and is enforceable in accordance with its terms, and each of the Transaction Documents has been duly authorized by the Company and the Subsidiary, as applicable, and at the Closing Time will have been duly executed and delivered by the Company and the Subsidiary, as applicable, and will constitute a legal, valid and binding agreement of the Company and the Subsidiary, as applicable, enforceable in accordance with its terms, except in each case as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general principles of equity, and except to the extent that the indemnification provisions hereof or thereof may be limited by federal or state securities laws and public policy considerations in respect thereof;

(q) the Shares, this Agreement and each of the Transaction Documents conform in all material respects to the descriptions thereof contained in both the Disclosure Package and the Final Memorandum; the form of certificate used to evidence the Common Stock complies in all material respects with all applicable statutory requirements (including any requirement under the laws of Bermuda) and with any applicable requirements of the Charter Documents of the Company;

(r) assuming the accuracy of FBR's representations and warranties set forth in Section 3 of this Agreement and that the purchasers who buy the Resale Shares in Exempt Resales are Eligible Purchasers, no approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency is required in connection with the execution, delivery and performance by the Company of this Agreement or the Registration Rights Agreement, or the consummation by the Company of the transactions contemplated hereby and, in the case of the Company, thereby, or the issuance, sale and delivery of the Shares as contemplated hereby, other than (i) such as have been obtained or made, or will have been obtained or made at the Closing Time, (ii) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered or placed by FBR, (iii) with or by federal or state securities regulatory authorities in connection with or pursuant to the Registration Rights Agreement, including without limitation the filing of the registration statement(s) required thereby with the Commission, and (iv) the filing of a Form D with the Commission and with the applicable state regulatory authorities;

(s) each of the Company and the Subsidiary has all necessary licenses, permits, certificates, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, permits, certificates, authorizations, consents and approvals from other persons required in order to conduct its respective business as described in both the Disclosure Package and the Final Memorandum, except to the extent that any failure to have any such licenses, permits, certificates, authorizations, consents or approvals, to make any such filings or to obtain any such licenses, permits, certificates, authorizations, consents or approvals would not, individually and in the aggregate, have a Material Adverse Effect; neither the Company nor the Subsidiary is in violation of, or in default under, any such license, permit, certificate, authorization, consent or approval or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or the Subsidiary, the effect of which could reasonably be expected to have a Material Adverse Effect;

(t) both the Disclosure Package and the Final Memorandum contain accurate summaries of all material contracts, agreements, instruments and other documents of the Company and the Subsidiary that would be required to be described in a prospectus included in a registration statement on Form S-1 under the Securities Act; the copies of all contracts, agreements, instruments and other documents (including governmental licenses, authorizations, permits, consents and approvals and all amendments or waivers relating to any of the foregoing) that have been previously furnished to FBR or its counsel are complete and genuine and include all material collateral and supplemental agreements thereto;

(u) other than as set forth in both the Disclosure Package and the Final Memorandum, there are no material actions, suits, proceedings, inquiries or investigations pending or, to the knowledge of the Company or the Subsidiary, threatened against the Company or such Subsidiary, or any of their respective properties, directors, officers or affiliates at law or in equity, or before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency; other than FBR, the Company has not authorized anyone to make any representations regarding the offer and sale of the Shares, or regarding the Company in connection therewith; the Company has not received notice of any order or decree preventing the use of the Preliminary Memorandum, the Supplements or the Final Memorandum or any amendment or supplement thereto, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act, has been issued and no proceeding for that purpose has commenced or is pending or, to its knowledge, is contemplated;

(v) no securities of the Company are of the same class (within the meaning of Rule 144A under the Securities Act) as the Shares and listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or quoted in a U.S. automated inter-dealer quotation system;

(w) subsequent to the date of the Preliminary Memorandum and the Supplements, and except as may be otherwise stated in both the Disclosure Package and the Final Memorandum, there has not been (i) any event, circumstance or change that has, or could reasonably be expected to have, a Material Adverse Effect, (ii) any transaction, other than in the ordinary course of business, which is material to the Company or the Subsidiary, contemplated or entered into by the Company or the Subsidiary, (iii) any obligation, contingent or otherwise, directly or indirectly incurred by the Company or the Subsidiary, other than in the ordinary course of business, which is material to the Company or such Subsidiary, (iv) any dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, or any purchase by the Company of any of its outstanding capital stock, or (v) any change in the capital stock or indebtedness of the Company or the Subsidiary, other than the incorporation of the Subsidiary;

(x) neither the Company nor the Subsidiary is, nor upon the sale of the Shares as contemplated herein and the application of the net proceeds therefrom as described in both the Disclosure Package and the Final Memorandum under the caption "Use of Proceeds", will be, an "investment company" or an entity "controlled" by an "investment company" (as such terms are defined in the Investment Company Act of 1940, as amended);

(y) there are no persons with registration or other similar rights to have any securities registered by the Company or the Subsidiary under the Securities Act other than pursuant to the Registration Rights Agreement or the Founding Shareholders Registration Rights Agreement;

(z) the Company has not relied upon FBR or legal counsel for FBR for any legal, tax or accounting advice in connection with the offering and sale of the Shares;

(aa) each of the independent directors named in the Disclosure Package and the Final Memorandum has not within the last five years, been employed by or affiliated, directly or indirectly, with the Company, whether by ownership of, ownership interest in, employment by, any material business or professional relationship with, or serving as an officer or director of the Company or any of its affiliates;

(bb) in connection with the offering of the Shares, neither the Company, the Subsidiary nor any of their respective affiliates (as defined in Section 501(b) of Regulation D) has, whether directly or through any agent or person acting on its behalf (other than FBR): (i) offered Common Stock of the Company or any other securities convertible into or exchangeable or exercisable for such Common Stock in a manner in violation of the Securities Act or the rules and regulations thereunder, (ii) distributed any other offering material in connection with the offer and sale of the Shares, other than as described in both the Disclosure Package and the Final Memorandum, or (iii) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of any security (as defined in the Securities Act) which is or will be integrated with the offering and sale of the Shares in a manner that would require the registration of the Shares under the Securities Act;

(cc) neither the Company nor any of its affiliates (i) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act or the rules and regulations thereunder, or (ii) directly, or indirectly through one or more intermediaries, controls or has any other association with (within the meaning of Article 1 of the Bylaws of the National Association of Securities Dealers, Inc. (the "NASD")) any member firm of the NASD;

(dd) none of the Company, the Subsidiary or any of its respective directors, officers, representatives (it being understood that FBR shall not be deemed to be a representative of the Company for this purpose) or affiliates have taken, directly or indirectly, any action intended, or which might reasonably be expected, to cause or result, under the Securities Act, the Exchange Act or otherwise, in, or which has constituted, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(ee) Each of the Company and the Subsidiary carries or is covered by, insurance (issued by insurers of recognized financial responsibility to the best knowledge of the Company) in such amounts and covering such risks as is appropriate for the conduct of their respective businesses and the value of the assets to be held by them upon the consummation of the transactions contemplated by both the Disclosure Package and the Final Memorandum and as is customary for companies engaged in businesses similar to the business of the Company, all of which insurance is in full force and effect;

(ff) the balance sheet and accompanying notes included in the Disclosure Package and the Final Memorandum fairly present in all material respects the financial condition of the Company as of the date thereof and have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis;

(gg) PricewaterhouseCoopers, who have certified certain financial statements included in the Supplement dated June 21, 2007 and the Final Memorandum, whose reports with respect to such financial statements included in such Supplement and the Final Memorandum are included in such Supplement and the Final Memorandum and who have delivered the comfort letters referred to in Section 6(c) hereof, are independent registered public accountants with respect to the Company within the meaning of the Securities Act or the Securities Act Regulations.

(hh) except as disclosed in the Disclosure Package and Final Memorandum, the Subsidiary is not currently prohibited, directly or indirectly, from paying any dividends or distributions to the Company to the extent permitted by applicable law, from making any other distribution on the Subsidiary’s issued and outstanding capital stock, from repaying to the Company any loans or advances to the Subsidiary from the Company or from transferring any of the property or assets of the Subsidiary to the Company;

(ii) neither the Company, nor the Subsidiary, nor to the Company's knowledge, any employee or agent of the Company or the Subsidiary, has made any payment of funds of the Company or the Subsidiary or received or retained any funds in violation of any law, rule or regulation, including without limitation the “know your customer” and anti-money laundering laws of any jurisdiction;

(jj) any certificate signed by any officer of the Company delivered to FBR or to counsel for FBR pursuant to or in connection with this Agreement shall be deemed a representation and warranty by the Company to FBR as to the matters covered thereby; and

(kk) except where such failure to file or pay an assessment or lien would not in the aggregate reasonably be expected to have a Material Adverse Effect or where such matters are the result of a pending bona fide dispute with taxing authorities, (i) each of the Company and the Subsidiary has accurately prepared and timely filed any and all federal, state, foreign and other tax returns that are required to be filed by it (other than those tax returns that would be required to be filed if the Company or the Subsidiary was characterized as (x) engaged in a U.S. trade or business or (y) managed and controlled in the United Kingdom or (z) having a permanent establishment in the United Kindgom), if any, and has paid or made provision for the payment of all taxes, assessments, governmental or other similar charges (other than those taxes that would be required to be paid if the Company or the Subsidiary was characterized as (x) engaged in a U.S. trade or business or (y) managed and controlled in the United Kingdom or (z) having a permanent establishment in the United Kindgom), including without limitation, all sales and use taxes and all taxes which the Company or the Subsidiary is obligated to withhold from amounts owing to employees, creditors and third parties, with respect to the periods covered by such tax returns (whether or not such amounts are shown as due on any tax return), (ii) no deficiency assessment with respect to a proposed adjustment of the Company's or the Subsidiary's federal, state, local or foreign taxes is pending or, to the best of the Company's knowledge, threatened; (iii) since the date of the most recent audited financial statements, neither the Company nor the Subsidiary has incurred any liability for taxes other than in the ordinary course of its business; and (iv) to the Company's knowledge there is no tax lien, whether imposed by any federal, state, foreign or other taxing authority, outstanding against the assets, properties or business of the Company or the Subsidiary.

5. Certain Covenants of the Company.

Subject to Section 14, the Company hereby agrees with FBR:

(a) to furnish such information as may be required and otherwise to cooperate in qualifying the Shares for offer and sale under the securities or blue sky laws of such states and other jurisdictions as FBR may designate or as required for the Private Placement and to maintain such qualifications in effect as long as required by such laws for the distribution of the Shares and for the Exempt Resales of the Resale Shares; *provided*, *however*, that the Company shall not be required to qualify as a foreign corporation or to consent to the service of process under the laws of, or subject itself to taxation as doing business in, any such state or other jurisdiction (except service of process with respect to the offering and sale of the Shares);

(b) to prepare the Final Memorandum in a form approved by FBR and to furnish promptly (and with respect to the initial delivery of such Final Memorandum, not later than 10:00 a.m. (New York City time) on the first day following the execution and delivery of this Agreement) to FBR or to purchasers upon the direction of FBR as many copies of the Final Memorandum (and any amendments or supplements thereto) as FBR may reasonably request for the purposes contemplated by this Agreement;

(c) to advise FBR promptly, confirming such advice in writing, of: (i) the happening of any event known to the Company within the time during which the Final Memorandum shall (in the view of FBR) be required to be distributed by FBR in connection with an Exempt Resale (and FBR hereby agrees to notify the Company in writing when the foregoing time period has ended) which, in the judgment of the Company, would require the making of any change in the Final Memorandum then being used so that the Final Memorandum would not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and (ii) the receipt of any notification with respect to the modification, rescission, withdrawal or suspension of the qualification of the Shares, or of any exemption from such qualification or from registration of the Shares, for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes and, if any government agency or authority should issue any such order, to make every reasonable effort to obtain the lifting or removal of such order as soon as possible;

(d) to furnish to FBR for a period of two years from the Closing Time, (i) copies of all annual, quarterly and current reports supplied to holders of the Shares, (ii) copies of all reports filed by the Company with the Commission, and (iii) such other information as FBR may reasonably request regarding the Company provided, however, that the Company shall not be required to provide FBR with any such information that has been filed with or furnished to the Commission by any electronic transmission pursuant to the Electronic Data Gathering, Analysis and Retrieval System ("EDGAR") or an equivalent electronic database authorized by the Commission and that is available to the public;

(e) not to amend or supplement the Final Memorandum prior to the Closing Time or any Secondary Closing Time unless FBR shall previously have been advised thereof and shall have consented thereto or not have reasonably objected thereto (for legal reasons) in writing within a reasonable time after being furnished a copy thereof;

(f) during any period in the two years (or such shorter period (x) as may then be applicable under the Securities Act regarding the holding period for securities under Rule 144(k) under the Securities Act or any successor rule or (y) until the Company is required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act) after the Closing Time in which the Company is not subject to Section 13 or 15(d) of the Exchange Act to furnish, upon request, to any holder of such Shares the information ("Rule 144A Information") specified in Rule l44A(d)(4) under the Securities Act and any additional information ("PORTAL Information") required by the National Association of Securities Dealers, Inc. Portal[SM] Market ("PORTAL"), and any such Rule l44A Information and Portal Information will not, at the date thereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(g) to apply the net proceeds from the sale of the Shares in the manner set forth under the caption “Use of Proceeds” in both the Disclosure Package and the Final Memorandum;

(h) that neither the Company nor the Subsidiary, nor any of their respective affiliates (as defined in Section 501(b) of Regulation D) will, whether directly or through any agent or person acting on its behalf (other than FBR): (i) offer Common Stock of the Company or any other securities convertible into or exchangeable or exercisable for such Common Stock in a manner in violation of the Securities Act or the rules and regulations thereunder, (ii) distribute any other offering material in connection with the offer and sale of the Shares, other than as described in both the Disclosure Package and the Final Memorandum, or (iii) sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act), any of which will be integrated with the offering and sale of the Shares in a manner that would require the registration under the Securities Act of the sale to FBR or the Eligible Purchasers of the Resale Shares or to the Accredited Investors of the Private Placement Shares;

(i) that neither the Company nor any of its affiliates will take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Shares;

(j) that, except as permitted by the Securities Act, neither the Company nor any of its affiliates will distribute any offering materials in connection with Exempt Resales;

(k) to pay all expenses, fees and taxes in connection with (i) the preparation of both the Disclosure Package and the Final Memorandum, and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to FBR (including costs of mailing and shipment), (ii) the preparation, issuance, sale and delivery of the Shares, including any stock or other transfer taxes or duties payable upon the sale of the Resale Shares to FBR, (iii) the printing of this Agreement and any dealer agreements, and the reproduction and/or printing and furnishing of copies of each thereof to dealers (including costs of mailing and shipment) (iv) the qualification of the Shares for offering and sale under state laws and the determination of their eligibility for investment under state law as aforesaid (including any filing fees), and the printing and furnishing of copies of any blue sky surveys or legal investment surveys to FBR and to dealers, (v) the designation of the Shares as PORTAL-eligible securities by PORTAL, (vi) all fees and disbursements of counsel and accountants for the Company (vii) the fees and expenses of any transfer agent or registrar for the Common Stock, (viii) costs of background investigations, (ix) the costs and expenses of FBR and the Company incurred in connection with the marketing and offering of the Shares, including all “out of pocket” expenses, roadshow costs (regardless of the form in which the roadshow is conducted) and expenses, and expenses of Company personnel, including but not limited to commercial or charter air travel, local hotel accommodations and transportation, and (x) performance of the Company's other obligations hereunder, and to pay such other expenses and fees as may be provided for in a separate letter agreement between FBR and the Company;

(l) to use reasonable efforts in cooperation with FBR to obtain permission for the Shares (other than Shares offered and sold in accordance with Regulation S) to be eligible for clearance and settlement through DTC, and for the Shares sold in accordance with Regulation S to be eligible for clearance and settlement through the Euroclear System and Clearstream Banking, société anonyme, Luxembourg;

(m) in connection with Resale Shares offered and sold in an offshore transaction (as defined in Regulation S), not to register any transfer of such Resale Shares not made in accordance with the provisions of Regulation S and not, except in accordance with the provisions of Regulation S, if applicable, to issue any such Resale Shares in the form of definitive securities;

(n) to refrain during the period commencing on the date of this Agreement and ending on the date that is 180 days thereafter, without the prior written consent of FBR (which consent may be withheld or delayed in FBR's sole discretion), from (i) offering, pledging, selling, contracting to sell, selling any option or contract to purchase, purchasing any option or contract to sell, granting any option, right or warrant for the sale of, lending or otherwise disposing of or transferring, directly or indirectly, any equity securities of the Company or any securities convertible into or exercisable or exchangeable for equity securities of the Company, or filing any registration statement under the Securities Act with respect to any of the foregoing, or (ii) entering into any swap or other arrangement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of equity securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (i) the Shares to be sold hereunder, (ii) the registration and sale of the Shares in accordance with the terms of the Registration Rights Agreement, (iii) the registration and sale of Common Stock in an initial public offering of the Company as contemplated by the Registration Rights Agreement, (iv) any Shares of Common Stock issued by the Company upon the exercise of an option outstanding on the date hereof and referred to in both the Disclosure Package and the Final Memorandum, or (v) such issuances of options or grants of restricted stock under the Company's stock option and incentive plans as described in both the Disclosure Package and the Final Memorandum;

(o) if the Resale Shares are not delivered by the Company to FBR for any reason (other than (x) the termination of this Agreement pursuant to clauses (ii) through (v) of the first paragraph of Section 7 hereof or (y) the default by FBR in its obligations hereunder), to reimburse FBR for all of its out-of-pocket expenses relating to the transactions contemplated hereby, including the reasonable fees and disbursements of its legal counsel;

(p) that, from and after the Closing Time, the Company shall have in place and maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(q) that the Company will conduct its affairs and the affairs of the Subsidiary in such a manner so as to ensure that neither the Company nor the Subsidiary will be an "investment company" or an entity "controlled" by an investment company within the meaning of the Investment Company Act;

(r) that the Company shall use its best efforts to cause Maiden Insurance to be incorporated, licensed and capitalized as described in the Final Memorandum; and

(s) that, as soon as reasonably practicable following completion of the transactions contemplated hereunder, it will use commercially reasonable efforts to make such changes to the corporate governance policies and procedures as may be required by law prior to filing any registration statement with the Commission.

6. Conditions of FBR's Obligations. The obligations of FBR hereunder at the Closing Time and each Secondary Closing Time, as applicable, are subject to (i) the accuracy of the statements of the Company's officers made in any certificate pursuant to the provisions hereof as of the date of such certificate, and (ii) subject to Section 14, the following other conditions:

(a) The Company shall furnish to FBR at the Closing Time an opinion of LeBoeuf, Lamb, Greene & MacRae LLP, counsel for the Company, addressed to FBR and dated the Closing Time, in form and substance satisfactory to FBR, covering the matters set forth on Exhibit B hereto. Such opinion shall indicate that it is being rendered to FBR at the request of the Company. The Company shall also furnish to FBR at the Closing Time an opinion of Ben Turin, General Counsel of the Company, addressed to FBR and dated the Closing Time, in form and substance satisfactory to FBR, covering the matters set forth on Exhibit B-1 hereto.

(b) The Company shall furnish to FBR at the Closing Time an opinion of Conyers, Dill & Pearman, special Bermuda counsel for the Company, addressed to FBR and dated the Closing Time, in form and substance satisfactory to FBR, covering the matters set forth on Exhibit C hereto. Such opinion shall indicate that it is being rendered to FBR at the request of the Company.

(c) FBR shall have received from PricewaterhouseCoopers, "comfort" letters dated, respectively, as of the date hereof and the Closing Time, addressed to FBR and in form and substance satisfactory to FBR. FBR shall have also received from BDO Seidman, LLP, a letter dated as of the date hereof and the Closing Time, addressed to FBR, in form and substance satisfactory to FBR, containing statements and information with respect to the financial statements and certain financial information of AmTrust Financial Services, Inc. included in the Final Offering Memorandum and the Disclosure Package.

(d) FBR shall have received at the Closing Time a favorable opinion of Sidley Austin LLP, counsel for FBR, dated the Closing Time, in form and substance satisfactory to FBR.

(e) Prior to the Closing Time or any Secondary Closing Time, (i) no suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes, shall have occurred and (ii) both the Disclosure Package and the Final Memorandum and all amendments or supplements thereto, or modifications thereof, if any, shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(f) Between the time of execution of this Agreement and the Closing Time or any Secondary Closing Time, (i) no event, circumstance or change constituting a Material Adverse Effect shall have occurred or become known, (ii) no transaction which is material to the Company, taken as a whole, shall have been entered into by the Company that has not been fully and accurately disclosed in both the Disclosure Package and the Final Memorandum, or any amendment or supplement thereto; and (iii) no order or decree preventing the use of any of the Preliminary Memorandum, the Supplements, the Disclosure Package or the Final Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act shall have been issued and shall remain in effect.

(g) The Company shall have delivered to FBR a certificate, executed by the secretary of the Company and dated as of the Closing Time, as to (i) the resolutions adopted by the Company's board of directors in form and substance reasonably acceptable to FBR, (ii) the Company's certificate of incorporation and memorandum of association, as amended and (iii) the Company's bye-laws, as amended, each as in effect at the Closing Time. The Company shall have delivered to FBR a certificate, executed by the secretary of Maiden Insurance as to: (i) the resolutions adopted by such company's board of directors in form and substance reasonably acceptable to FBR; (ii) such company's certificate of incorporation; and (iii) such Company's bye-laws, each as in effect at the Closing Time.

(h) (i) The representations and warranties of the Company set forth in this Agreement shall be true and correct as of the Closing Time as though made on and as of such date (except to the extent that such representations and warranties speak as of another date, in which case such representations and warranties shall be true and correct as of such other date), (ii) the Company shall have complied with all covenants and agreements and satisfied all conditions on its part to be performed or satisfied under this Agreement at or prior to the Closing Time and (iii) the Company shall have delivered to FBR a certificate, executed by its chief executive officer and chief financial officer certifying (x) to the effect set forth in clauses (i) and (ii) above and (y) that the conditions set forth in subsections (e) and (f) of this Section 6 have been satisfied as of the Closing Time.

(i) On or before the Closing Time, FBR shall have received the Transaction Documents executed by the Company and the Subsidiary, as applicable, and such agreements shall be in full force and effect.

(j) At the time of execution and delivery of this Agreement, FBR shall have received from each of the Founding Shareholders, officers and directors of the Company a written agreement (a "Lock-up Agreement") in substantially the form attached hereto as Exhibit C.

(k) At each Secondary Closing Time, FBR shall have received:

(i) certificates, dated as of each Secondary Closing Time, of the Company, substantially to the same effect as the certificates delivered at the Closing Time pursuant to subsections (g) and (h) of this Section 6, subject to any exceptions that, in the reasonable judgment of FBR, are not material.

(ii) the opinions of LeBoeuf, Lamb, Greene & MacRae LLP and Ben Turin, each in form and substance satisfactory to FBR, dated as of such Secondary Closing Time relating to the Regulation D Shares or the Option Shares, as applicable, and otherwise substantially to the same effect as the opinions required by subsection (a) of this Section 6.

(iii) the opinion of Conyers, Dill & Pearman, in form and substance satisfactory to FBR, dated as of each Secondary Closing Time relating to the Regulation D Shares or the Option Shares, as applicable, and otherwise substantially to the same effect as the opinions required by subsection (b) of this Section 6.

(iv) "comfort" letters from PricewaterhouseCoopers and BDO Seidman, LLP, in form and substance satisfactory to FBR, dated as of each Secondary Closing Time, substantially the same in scope and substance as the letter furnished to FBR pursuant to subsection (c) of this Section 6, except that the "specified date" in the letter furnished pursuant to this subsection (k)(iv) shall be a date not more than five days prior to such Secondary Closing Time.

In the event that any "comfort" letter referred to in subsection (c) of this Section 6 or this subsection (k)(iv) sets forth any such changes, decreases or increases that, in the reasonable discretion of FBR, are likely to result in a Material Adverse Effect, it shall be a further condition to the obligations of FBR that such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless FBR deems such explanation unnecessary. References to the Preliminary Memorandum, any Supplement, the Disclosure Package and/or Final Memorandum with respect to any "comfort" letter referred to in this Section 6 shall include any amendment or supplement thereto at the date of such letter.

(v) the opinion of Sidley Austin LLP, dated as of each Secondary Closing Time, relating to the Regulation D Shares or the Option Shares, as applicable, and otherwise to the same effect as the opinion required by subsection (d) of this Section 6.

(l) The Company shall have furnished to FBR such other documents and certificates as FBR may reasonably request as to the accuracy and completeness of any statement in both the Disclosure Package and the Final Memorandum or any amendment or supplement thereto, and any additional matters as FBR may reasonably request, as of the Closing Time or any Secondary Closing Time.

(m) The Shares to be resold by FBR to QIBs pursuant to Rule 144A under the Securities Act shall have been designated as PORTAL-eligible securities by PORTAL.

(n) Each Subscription Agreement shall remain in full force and effect and no event shall have occurred giving any party the right to terminate any Subscription Agreement pursuant to the terms thereof.

7. Termination. The obligations of FBR hereunder shall be subject to termination in the absolute discretion of FBR, at any time prior to the Closing Time or any Secondary Closing Time, if (i) any of the conditions specified in Section 6 shall not have been fulfilled when and as required by this Agreement to be fulfilled, (ii) trading in securities in general on any exchange or national quotation system shall have been suspended or minimum prices shall have been established on such exchange or quotation system, (iii) there has been a material disruption in the securities settlement, payment or clearance services in the United States, (iv) a banking moratorium shall have been declared either by the United States or New York State authorities, or (v) if the United States shall have declared war in accordance with its constitutional processes or there shall have occurred any material outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic, political or other conditions of such magnitude in its effect on the financial markets of the United States as, in the judgment of FBR, to make it impracticable to market the Shares.

If FBR elects to terminate this Agreement as provided in this Section 7, the Company shall be notified promptly by letter or fax.

If the sale to FBR of the Resale Shares, as contemplated by this Agreement, is not carried out by FBR for any reason permitted under this Agreement or if such sale is not carried out because the Company shall be unable to comply with any of the terms of this Agreement, (i) the Company shall not be under any obligation or liability to FBR under this Agreement (except to the extent provided in Sections 5(k), 5(p) and 8 hereof), and (ii) FBR shall be under no obligation or liability to the Company under this Agreement (except to the extent provided in Section 8 hereof).

8. Indemnity.

(a) The Company agrees to indemnify, defend and hold harmless FBR and its affiliates, and their respective directors, officers, representatives and agents, and any person who controls FBR within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, FBR or any such controlling person may incur under the Securities Act, the Exchange Act or otherwise, insofar as such loss, expense, liability or claim arises out of or is based upon (i) any breach of any representation or warranty made by the Company herein, (ii) any breach by the Company of any covenant set forth herein, or (iii) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Memorandum as supplemented by any Supplement as of the Applicable Time, the Disclosure Package or the Final Memorandum, or arises out of or is based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except insofar as any such loss, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and in conformity with information furnished in writing by FBR to the Company expressly for use in such Preliminary Memorandum, the Supplements, the Disclosure Package or Final Memorandum (that information being limited to that described in the last sentence of Section 8(b) hereof).

(b) FBR agrees to indemnify, defend and hold harmless the Company and its directors and officers and any person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company or any such person may incur under the Securities Act, the Exchange Act or otherwise, insofar as such loss, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and made in reliance upon and in conformity with information furnished in writing by FBR to the Company expressly for use in the Preliminary Memorandum as supplemented by any Supplement as of the Applicable Time, the Disclosure Package or Final Memorandum (or in any amendment or supplement thereof by the Company), such information being limited to the following:

(i) the penultimate and final paragraphs of the cover page of the Preliminary Memorandum and the Final Memorandum;

(ii) the fourth and fifth sentences of the fifth paragraph under “Plan of Distribution□General”; and

(iii) the two paragraphs under “Plan of Distribution□Additional Allotments, Price Stabilization, Short Positions and Penalty Bids.”

(c) If any action is brought against any person or entity (each an "Indemnified Party"), in respect of which indemnity may be sought pursuant to Section 8(a) or (b) above, the Indemnified Party shall promptly notify the party(ies) obligated to provide such indemnity (each an "Indemnifying Party") in writing of the institution of such action and the Indemnifying Party shall assume the defense of such action, including the employment of counsel and payment of expenses; provided that the failure so to notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which the Indemnifying Party may have to any Indemnified Party unless and to the extent the Indemnifying Party did not otherwise know of such action and such failure results in the forfeiture or loss by the Indemnifying Party of rights and defenses that would have had material value in the defense. The Indemnified Party(ies) shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action or the Indemnifying Party shall not have employed counsel to have charge of the defense of such action within a reasonable time or such Indemnified Party(ies) shall have reasonably concluded (based on the advice of counsel) that counsel selected by the Indemnifying Party has an actual conflict of interest or there may be defenses available to the Indemnified Party(ies) which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party(ies)), in any of which events such fees and expenses shall be borne by the Indemnifying Party and paid as incurred (it being understood, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of counsel (in addition to local counsel) for the Indemnified Party in any one action or series of related actions in the same jurisdiction representing the Indemnified Parties who are parties to such action). Anything in this paragraph to the contrary notwithstanding, the Indemnifying Party shall not be liable for any settlement of any such claim or action effected without its written consent. The Indemnifying Party shall have the right to settle any such claim or action for itself and any Indemnified Party so long as the Indemnifying Party pays any settlement payment and such settlement (i) includes a complete and unconditional release of the Indemnified Party from all losses, expenses, claims, damages, injunctions, liability and other obligations with respect to any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

(d) If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party under subsections (a) and (b) of this Section 8 in respect of any losses, expenses, liabilities or claims referred to therein, then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, expenses, liabilities or claims (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and FBR, on the other hand, from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company**,** on the one hand, and of FBR, on the other hand, in connection with the statements or omissions which resulted in such losses, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and FBR, on the other hand, shall be deemed to be in the same proportion as the total proceeds from the offering (net of initial purchaser discounts and commissions but before deducting expenses) received by the Company bear to the discounts and commissions received by FBR. The relative fault of the Company, on the one hand, and of FBR, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by FBR and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any claim or action.

(e) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in subsection (d) above. Notwithstanding the provisions of this Section 8, FBR shall not be required to contribute any amount in excess of the amount by which the total price at which the Shares were initially offered (either in the Exempt Resales or to subscribers in the Private Placement) exceeds the amount of any damages which FBR has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 8 and the covenants, warranties and representations of the Company contained in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of FBR or its affiliates, or their respective directors, officers, representatives and agents, or any person who controls FBR within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, or by or on behalf of the Company or their respective directors and officers or any person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and shall survive any termination of this Agreement or the sale and delivery of the Shares. Each party to this Agreement agrees promptly to notify the other party of the commencement of any litigation or proceeding against it and, in the case of the Company, against any of their respective officers and directors, in connection with the sale and delivery of the Shares, or in connection with the both the Disclosure Package and/or Final Memorandum.

9. Notices. Except as otherwise herein provided, all statements, requests, notices and agreements shall be in writing delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram and:

(a) if to FBR, shall be sufficient in all respects if delivered or sent to Friedman, Billings, Ramsey & Co., Inc., 1001 Nineteenth Street North, Arlington, Virginia 22209, Attention: Compliance Department, (facsimile: 703-312-9698); with a copy to Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attention: John J. Sabl (facsimile: 312-853-7036); and

(b) if to the Company, shall be sufficient in all respects if delivered to the Company at the offices of the Company at 7 Reid Street, Hamilton, HM 12, Bermuda, Attention: Ben Turin; (facsimile: 441-292-5796); with a copy to LeBoeuf, Lamb, Greene & MacRae LLP, 125 West 55th Street, New York, New York 10019, Attention: Matthew M. Ricciardi (facsimile 212 649 9483).

10. Duties. Except with respect to FBR's engagement as placement agent with respect to the Private Placement Shares, nothing in this Agreement shall be deemed to create a partnership, joint venture or agency relationship between the parties. FBR undertakes to perform such duties and obligations only as expressly set forth herein. Such duties and obligations of FBR with respect to the Shares shall be determined solely by the express provisions of this Agreement, and FBR shall not be liable except for the performance of such duties and obligations with respect to the Shares as are specifically set forth in this Agreement. The Company acknowledges and agrees that: (i) the purchase and sale of the Resale Shares pursuant to this Agreement and the determination of the offering price of the Shares and any related discounts and commissions are each an arm's-length commercial transaction between the Company, on the one hand, and FBR, on the other hand, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) except as aforesaid with respect to the Private Placement Shares, in connection with each transaction contemplated hereby and the process leading to such transaction FBR is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary of the Company or its affiliates, shareholders, creditors or employees or any other party; (iii) except as aforesaid with respect to the Private Placement Shares, FBR has not assumed and will not assume an advisory, agency or fiduciary responsibility in favor of the Company with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether FBR has advised or is currently advising the Company on other matters); and (iv) FBR and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and that FBR has no obligation to disclose any of such interests. The Company acknowledges that FBR disclaims any implied duties (including any fiduciary duty), covenants or obligations arising from its performance of the duties and obligations expressly set forth herein. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against FBR with respect to any breach or alleged breach of agency (except with respect to the Private Placement Shares) or fiduciary duty.

11. **GOVERNING LAW; HEADINGS. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER STATE. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.** The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

12. Parties at Interest. The Agreement herein set forth has been and is made solely for the benefit of FBR and the Company and the controlling persons, directors and officers referred to in Section 8 hereof, and their respective successors, assigns, executors and administrators. No other person, partnership, association or corporation (including a purchaser, in its capacity as such, from FBR) shall acquire or have any right under or by virtue of this Agreement.

13. Counterparts. This Agreement may be signed by the parties in counterparts, which together shall constitute one and the same agreement among the parties.

14. Maiden Insurance. FBR acknowledges that as of the date of this Agreement, Maiden Insurance has not been incorporated or capitalized and has not been issued a license to operate as, or registered as, a Class 3 insurer in Bermuda. Notwithstanding anything to the contrary in this Agreement, the Company and FBR agree that:

(a)(x) the Company makes (i) no representation or warranty in this Agreement as to Maiden Insurance (except as provided in (y) below) at any time prior to such time as Maiden Insurance has been incorporated and (ii) no representation or warranty in the following Sections of this Agreement as to Maiden Insurance at any time prior to such time as Maiden Insurance has been capitalized and licensed as described in the Final Memorandum:

- 4(c) (to the extent such Section refers to the corporate power and authority of Maiden Insurance to own, lease or operate its properties and to conducts its business as described in the Disclosure Package and the Final Memorandum),
- 4(g),
- 4(o) (to the extent such Section refers to Transaction Documents that Maiden Insurance may not legally execute and deliver prior to the time that it is capitalized and licensed as described in the Final Memorandum),
- 4(p) (to the extent such Section refers to Transaction Documents that Maiden Insurance may not legally execute and deliver prior to the time that it is capitalized and licensed as described in the Final Memorandum),

- 4(s) (to the extent such Section refers to matters other than violations of, or defaults under, any federal, state, local or foreign law),
- 4(x),
- 4(ee), and
- 4(kk); and

(y) if any of the incorporation, capitalization and licensing of Maiden Insurance as described in the Final Memorandum has not occurred, the Company represents and warrants that nothing has come to its attention that causes it to believe that such incorporation, capitalization and licensing, as the case may be, is not likely to occur in the near future;

(b) the definition of "Material Adverse Effect" shall be deemed not to include any reference to Maiden Insurance at any time prior to such time as Maiden Insurance has been incorporated as described in the Final Memorandum;

(c) until such time as Maiden Insurance has been incorporated, capitalized and licensed as described in the Final Memorandum, Maiden Insurance will not be able to execute and deliver or perform any of the Transaction Documents or any other agreement or document to which it is contemplated that Maiden Insurance will be a party;

(d) except as set forth in Section 5(r), the Company makes no covenant in this Agreement as to Maiden Insurance at any time prior to such time as Maiden Insurance has been incorporated and, with respect to the covenant in Section 5(q) of this Agreement, capitalized and licensed, as described in the Final Memorandum;

(e) the conditions specified in Section 6 to the obligations of FBR under this Agreement shall apply to Maiden Insurance at the Closing Time or any Secondary Closing Time only if and to the extent that, as of such Closing Time or Secondary Closing Time, respectively, Maiden Insurance has been incorporated, capitalized and licensed as described in the Final Memorandum;

(f) the failure of Maiden Insurance to be incorporated, capitalized and licensed as described in the Final Memorandum shall in no event, in and of itself, (x) constitute a Material Adverse Effect or (y) provide any grounds for FBR to refuse to consummate the transactions contemplated by this Agreement or to terminate this Agreement, unless in either case (x) or (y) an event, state of fact or circumstance shall have occurred or arisen as a result of communications with the Bermuda Monetary Authority or otherwise as a result of which it is reasonable to conclude that the chances for the approval of the incorporation or licensing of Maiden Insurance in the near future have materially diminished from the date of this Agreement; and

(g) the legal opinions required to be delivered at the Closing Time or any Secondary Closing Time shall not be required to refer to Maiden Insurance if, as of such Closing Time or Secondary Closing Time, respectively, Maiden Insurance has not been incorporated, provided that if Maiden Insurance has been incorporated (but not capitalized or licensed as described in the Final Memorandum) as of the Closing Time or such Secondary Closing Time, paragraphs 6 and 7 of the legal opinion of LeBoeuf, Lamb, Greene & MacRae LLP (as set forth in Exhibit B hereto) and paragraphs 2, 3 and 4 of the legal opinion of Conyers, Dill & Pearman (as set forth in Exhibit C hereto) that are delivered at the Closing Time or such Secondary Closing Time, as applicable, shall not be required to refer to Maiden Insurance.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth the understanding among the Company and FBR, please so indicate in the space provided below for the purpose, whereupon this letter shall constitute a binding agreement between the Company and FBR.

Very truly yours,

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Assistant Secretary

Accepted and agreed to as
of the date first above written:

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By:/s/ James R. Kleebatt
Name: James R. Kleebatt
Title: Senior Vice President

[SIGNATURE PAGE TO PURCHASE/PLACEMENT AGREEMENT]

EXHIBIT 3.1

FORM NO. 2

BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES

(Section 7(1) and (2))

MEMORANDUM OF ASSOCIATION OF

Maiden Holdings, Ltd.
(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

NAME	ADDRESS	BERMUDIAN STATUS (Yes/No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
Charles G. Collis	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Yes	British	One
Christopher G. Garrod	"	Yes	British	One
Alison R. Guilfoyle	"	No	British	One

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an **exempted** company as defined by the Companies Act 1981.

4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding ___ in all, including the following parcels:- **N/A**

5. The authorised share capital of the Company is US$10,000.00 divided into shares of US$1.00 each.

6. The objects for which the Company is formed and incorporated are unrestricted.

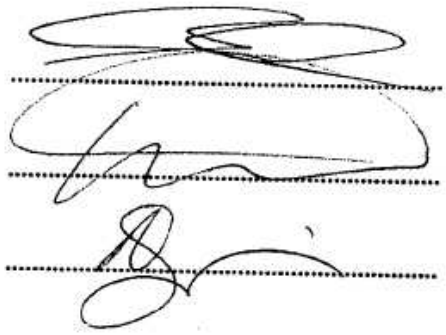
7. Subject to paragraph 4, the Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person, and –

   (i) pursuant to Section 42 of the Act, the Company shall have the power to issue preference shares which are, at the option of the holder, liable to be redeemed;

   (ii) pursuant to Section 42A of the Act , the Company shall have the power to purchase its own shares for cancellation; and

   (iii) pursuant to Section 42B of the Act, the Company shall have the power to acquire its own shares to be held as treasury shares.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof



(Subscribers)

(Witnesses)

SUBSCRIBED this 21st day of May, 2007.

BYE-LAWS OF

MAIDEN HOLDINGS, LTD.

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Attribution Percentage	with respect to a Member, the percentage of the Member's shares that are treated as Controlled Shares of a Tentative 9.5% U.S. Member;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Code	the United States Internal Revenue Code of 1986, as amended;
Company	the company for which these Bye-laws are approved and confirmed;
Controlled Shares	all shares of the Company directly, indirectly or constructively owned by a person as determined pursuant to sections 957 and 958 of the Code and the Treasury Regulations promulgated thereunder;
Director	a director of the Company and shall include an Alternate Director;

indirect	when referring to a holder or owner of shares, ownership of shares within the meaning of section 958(a)(2) of the Code;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
9.5% U.S. Member	a U.S. Person whose Controlled Shares constitute nine and one-half percent (9.5%) or more of the voting power of all issued shares of the Company and who generally would be required to recognize income with respect to the Company under section 951(a)(1) of the Code, if the Company were a controlled foreign corporation as defined in section 957 of the Code and if the ownership threshold under section 951(b) of the Code were 9.5%;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;

Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
Tentative 9.5% U.S. Member	a U.S. Person that, but for adjustments or restrictions on exercise of the voting power of shares pursuant to Bye-law 20, would be a 9.5% U.S. Member;
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled; and
U.S. Person	(i) an individual who is a citizen or resident of the United States, (ii) a corporation or partnership that is, as to the United States, a domestic corporation or partnership, (iii) an estate that is subject to United States federal income tax on its income, regardless of its source, (iv) a "U.S. Trust;" a U.S. Trust is any trust (A) if and only if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. trustees have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a domestic trust under applicable U.S. Treasury regulations; or (v) any person that is treated as one of the foregoing for U.S. federal income tax purposes.

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive; and

(ii) "shall" shall be construed as imperative; and

(e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine.

2.2 Without limitation to the provisions of Bye-law 4, subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

2.3 Notwithstanding the foregoing or any other provision of these Bye-laws, the Company may not issue any shares in a manner that the Board determines in its sole discretion may result in a non de minimis adverse tax, legal or regulatory consequence to the Company, or any of its subsidiaries or any direct or indirect holder of shares or its affiliates.

3. Power of the Company to Purchase its Shares

3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.

3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

3.3 Notwithstanding the foregoing or any other provision of these Bye-laws, any such purchase or acquisition may not be made if the Board determines in its sole discretion that the purchase or acquisition may result in a non de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or indirect holder of shares or its affiliates.

4. Rights Attaching to Shares

4.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the share capital shall consist of at least one class of common shares (the "Common Shares"), the holders of which shall, subject to these Bye-laws:

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

4.2 The Board is authorised to provide for the creation and issuance of preference shares (the "Preference Shares") in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the terms, including designation, powers, preferences, rights, qualifications, limitations and restrictions of the shares of each such series (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares or, subject to the terms of any other series of Preference Shares, to vary the rights attached to any other series of Preference Shares). Notwithstanding the foregoing or any other provision of these Bye-laws, the Company shall not vary or alter the rights attaching to any class of shares if the Board, after taking into account any adjustments to or restrictions on exercise of voting rights under Bye-laws 33-37 (inclusive), determines in its sole discretion that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holders of shares or its affiliates may result from such variation. The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) the number of shares constituting that series and the distinctive designation of that series;

(b) the dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;

(d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;

(e) whether or not the shares of that series shall be redeemable or repurchaseable, and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase, which amount may vary under different conditions and at different redemption or repurchase dates;

(f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;

(h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment in respect of shares of that series; and

(i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

4.3 Any Preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other class or classes shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of Preference Shares.

4.4 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

4.5 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. Calls on Shares

5.1 The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2 Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to forfeiture, payment of interest, costs and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.

5.3 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.4 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up or become payable.

6. Prohibition on Financial Assistance

The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition or proposed acquisition by any person of any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted under the Act.

7. Forfeiture of Shares

7.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call

· (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 200[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 200[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [ ] day of [ ], 200[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 200[ ]

_____

[Signature of Secretary] By Order of the Board

7.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.

7.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.

7.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. Share Certificates

8.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or Secretary or a person expressly authorized to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

8.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

8.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

8.4 Notwithstanding any provisions of these Bye-laws:

(a) the Directors shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Directors and as permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

9. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

10. Register of Members

10.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.

10.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

11. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

12. Transfer of Registered Shares

12.1 An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares

· (the "Company")

FOR VALUE RECEIVED…….. [amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] shares of the Company.

DATED this [ ] day of [ ], 200[ ]

Signed by:	In the presence of:
Transferor	Witness
Transferee	Witness

12.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid up share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.

12.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

12.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

12.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid up. The Board shall refuse to register a transfer (x) unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained or (y) if such transfer is not made in accordance with the provisions of Regulation S under the United States Securities Act of 1933, as amended, pursuant to registration under such Securities Act or pursuant to an available exemption from registration under such Securities Act. The Board may decline to approve or register or permit the registration of any transfer of shares if it appears to the Board that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates would result from such transfer. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

12.6 The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine; provided that such registration shall not be suspended for more than forty five days in any period of three hundred and sixty five (365) consecutive days.

12.7 Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

13. Transmission of Registered Shares

13.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

13.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

· (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 200[ ]

Signed by:	In the presence of:
Transferor	Witness
Transferee	Witness

13.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

13.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

14. Power to Alter Capital

14.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act. Notwithstanding the foregoing or any other provision of these Bye-laws, the Company shall not vary or alter the rights attaching to any class of shares if the Board, after taking into account any adjustments to or restrictions on exercise of voting rights under Bye-laws 33-37 (inclusive), determines in its sole discretion that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holders of shares or its affiliates may result from such variation.

14.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

15. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of at least a majority of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

DIVIDENDS AND CAPITALISATION

16. Dividends

16.1 The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

16.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

16.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

16.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

17. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

18. Method of Payment

18.1 Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent through the post directed to the address of the Member in the Register of Members (in the case of joint Members, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Members), or by direct transfer to such bank account as such Member may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the Member may direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If two or more persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.

18.2 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

18.3 Any dividend and or other moneys payable in respect of a share which has remained unclaimed for 7 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

18.4 The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 18.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

19. Capitalisation

19.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid up bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

19.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid up shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

20. Annual General Meetings

The annual general meeting of the Company shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or the Board shall appoint.

21. Special General Meetings

The President or the Chairman (if any) or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

22. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

23. Notice

23.1 At least 21 days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

23.2 At least 21 days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

23.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

23.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

23.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

24. Giving Notice and Access

24.1 A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person; or

(b) by sending it by letter mail or courier to such Member's address in the Register of Members; or

(c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose; or

(d) in accordance with Bye-law 24.4.

24.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

24.3 Any notice (save for one delivered in accordance with Bye-law 24.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

24.4 Where a Member indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Act, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

24.5 In the case of information or documents delivered in accordance with Bye-law 24.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

25. Postponement or Cancellation of General Meeting

The Chairman or the President may, and the Secretary on instruction from the Chairman or the President shall, postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed or cancelled meeting shall be given to the Members in accordance with these Bye-laws.

26. Electronic Participation and Security at General Meetings

26.1 Members may participate in any general meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

26.2 The Board may, and at any general meeting, the chairman of such meeting may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

27. Quorum at General Meetings

27.1 At any general meeting two or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company shall form a quorum for the transaction of business.

27.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

28. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present. In their absence, a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

29. Voting on Resolutions

29.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

29.2 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to these Bye-laws and any rights or restrictions for the time being lawfully attached to any class of shares, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote for each voting share (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 33 and 34) of which such person is the holder or for which such person holds a proxy and such votes shall be counted in the manner set out in Bye-law 30.4.

29.3 In the event that a Member participates in a general meeting by telephone, electronic or other communications facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

29.4 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

29.5 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

30. Power to Demand a Vote on a Poll

30.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

30.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-laws 33 and 34) and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communications facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

30.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

30.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken. Each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communications facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose. The result of the poll shall be declared by the chairman.

31. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

32. Votes of Members - General

Subject to the provisions of Bye-laws 33 and 34 below, and subject to any rights and restrictions for the time being attached to any class or classes or series of shares, every Member shall have one vote for each share carrying the right to vote on the matter in question of which he is the holder. Notwithstanding any other provisions of these Bye-laws, all determinations in these Bye-laws that are made by or subject to a vote or approval of Members shall be based upon the voting power of such Members' shares as determined pursuant to Bye-laws 33 and 34.

33. Adjustment of Voting Power

33.1 The voting power of all shares is hereby adjusted (and shall be automatically adjusted in the future) to the extent necessary so that there is no 9.5% U.S. Member. The Board shall implement the foregoing in the manner provided herein, provided however, that the foregoing provision and the remainder of this Bye-law 33 shall not apply in the event that one Member owns greater than 75% of the voting power of the issued shares of the Company determined without applying the voting power adjustments or eliminations under Bye-law 33.

33.2 The Board shall from time to time, including prior to any time at which a vote of Members is taken, take all reasonable steps necessary to ascertain, including those specified in Bye-law 33.6, through communications with Members or otherwise, whether there exists, or will exist at the time any vote of Members is taken, a Tentative 9.5% U.S. Member.

33.3 In the event that a Tentative 9.5% U.S. Member exists, the aggregate votes conferred by shares held by a Member and treated as Controlled Shares of that Tentative 9.5% U.S. Member shall be reduced to the extent necessary such that the Controlled Shares of the Tentative 9.5% U.S. Member will constitute less than 9.5% of the voting power of all issued and outstanding shares. In applying the previous sentence where shares held by more than one Member are treated as Controlled Shares of such Tentative 9.5% U.S. Member, the reduction in votes shall apply to such Members in descending order according to their respective Attribution Percentages, provided that, in the event of a tie, the reduction shall apply pro rata to such Members. The votes of Members owning no shares treated as Controlled Shares of any Tentative 9.5% U.S. Member shall, in the aggregate, be increased by the same number of votes subject to reduction as described above provided however that no shares shall be conferred votes to the extent that doing so will cause any person to be treated as a 9.5% U.S. Member. Such increase shall be apportioned to all such Members in proportion to their voting power at that time, provided that such increase shall be limited to the extent necessary to avoid causing any person to be a 9.5% U.S. Member. The adjustments of voting power described in this Bye-law shall apply repeatedly until there is no 9.5% U.S. Member. The Board of Directors may deviate from any of the principles described in this Bye-law and determine that shares held by a Member shall carry different voting rights as it determines appropriate (1) to avoid the existence of any 9.5% U.S. Member or (2) to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates. For the avoidance of doubt, in applying the provisions of Bye-laws 33 and 34, a share may carry a fraction of a vote.

34. Other Adjustments of Voting Power

In addition to the provisions of Bye-law 33, any shares shall not carry any right to vote to the extent that the Board of Directors determines that it is necessary that such shares should not carry the right to vote in order to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other direct or indirect holder of shares or its affiliates, provided that no adjustment pursuant to this sentence shall cause any person to become a 9.5% U.S. Member.

35. Notice

Prior to the meeting on which Members shall vote on any matter (or prior to any vote in the case of notification to Members specified in item (3) of this Bye-law 35), the Board may, in its sole discretion, (1) retain the services of an internationally recognized accounting firm or organization with comparable professional capabilities in order to assist the Company in applying the principles of Bye-laws 33 and 34 and (2) obtain from such firm or organization a statement describing the information obtained and procedures followed and setting forth the determinations made with respect to Bye-laws 33 and 34, and (3) notify in writing or orally each Member of the voting power conferred by its shares determined in accordance with Bye-laws 33 and 34. For the avoidance of doubt, any failure by the Board to take any of the actions described in this Bye-law 35 shall not invalidate any votes cast or the proceedings at the meeting.

36. Board Determination Binding

Any determination by the Board as to any adjustments or eliminations of voting power of any shares made pursuant to Bye-laws 33 and 34 shall be final and binding and any vote taken based on such determination shall not be capable of being challenged solely on the basis of such determination.

37. Requirement to Provide Information and Notice

37.1 The Board shall have the authority to request from any direct or indirect holder of shares, and such holder of shares shall provide, such information as the Board may reasonably request for the purpose of determining whether any holder's voting rights are to be adjusted. If such holder fails to respond to such a request, or submits incomplete or inaccurate information in response to such a request, the Board may determine in its sole discretion that such holder's shares shall carry no voting rights in which case such holder shall not exercise any voting rights in respect of such shares until otherwise determined by the Board.

37.2 Any direct or indirect holder of shares shall give notice to the Company within ten days following the date that such holder acquires actual knowledge that it is the direct or indirect holder of Controlled Shares of 9.5% or more of the voting power of all issued shares of the Company (without giving effect to voting power adjustments or eliminations under Bye-law 33.

37.3 Notwithstanding the foregoing, no Member shall be liable to any other Member or the Company for any losses or damages resulting from such Member's failure to respond to, or submission of incomplete or inaccurate information in response to, a request under Bye-law 37.1 or from such Member's failure to give notice under Bye-law 37.2.

37.4 Any information provided by any Member to the Company pursuant to this Bye-law 37 or for purposes of making the analysis required by Bye-laws 33 and 34, shall be deemed "confidential information" (the "Confidential Information") and shall be used by the Company solely for the purposes contemplated by such Bye-law (except as may be required otherwise by applicable law or regulation). The Company shall hold such Confidential Information in strict confidence and shall not disclose any Confidential Information that it receives, except (i) to the U.S. Internal Revenue Service (the "Service") if and to the extent the Confidential Information is required by the Service, (ii) to any outside legal counsel or accounting firm engaged by the Company to make determinations regarding the relevant Bye-law or (iii) as otherwise required by applicable law or regulation.

37.5 For the avoidance of doubt, the Company shall be permitted to disclose to the Members and others the relative voting percentages of all Members after application of Bye-law 33. At the written request of a Member, the Confidential Information of such Member shall be destroyed or returned to such Member after the later to occur of (i) such Member no longer being a Member or (ii) the expiration of the applicable statute of limitations with respect to any Confidential Information obtained for purposes of engaging in any tax-related analysis.

38. Instrument of Proxy

38.1 A Member may appoint a proxy by (a) an instrument appointing a proxy in writing in substantially the following form or such other form as the Board may determine from time to time:

Proxy

· (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on the [ ] day of [ ], 200[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 200[ ]

_____

Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

38.2 The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.

38.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

38.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

39. Representation of Corporate Member

39.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

39.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

40. Adjournment of General Meeting

40.1 The chairman of any general meeting at which a quorum is present may with the consent of Members holding a majority of the voting rights of those Members present in person or by proxy (and shall if so directed by Members holding a majority of the voting rights of those Members present in person or by proxy), adjourn the meeting.

40.2 In addition, the chairman may adjourn the meeting to another time and place without such consent or direction if it appears to him that:

(a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

40.3 Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

41. Written Resolutions

41.1 Subject to these Bye-laws anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting be done by written resolution in accordance with this Bye-law.

41.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

41.3 A written resolution is passed when it is signed by, or in the case of a Member that is a corporation on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

41.4 A resolution in writing may be signed by any number of counterparts.

41.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be (provided that (i) any such resolution shall be valid only if the signature of the last Member to sign is affixed outside the United States (unless the Board dispenses with this requirement), and (ii) the Board may declare such resolution to be invalid if the Board determines that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates), and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

41.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

41.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

41.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

42. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

CERTAIN SUBSIDIARIES

43. Voting of Subsidiary Shares

Notwithstanding any other provision of these Bye-laws to the contrary, if the Company is required or entitled to vote at a general meeting of any direct non-U.S. subsidiary of the Company, the Board shall refer the subject matter of the vote to the Members of the Company on a poll (subject to Bye-law 33) and seek authority from the Members for the Company's corporate representative or proxy to vote in favour of the resolution proposed by the subsidiary. The Board shall cause the Company's corporate representative or proxy to vote the Company's shares in the subsidiary pro rata to the votes received at the general meeting of the Company, with votes for or against the directing resolution being taken, respectively, as an instruction for the Company's corporate representative or proxy to vote the appropriate proportion of its shares for and the appropriate proportion of its shares against the resolution proposed by the subsidiary. The Board shall have authority to resolve any ambiguity.

44. Bye-law or Articles of Association of Certain Subsidiaries

The Board in its discretion shall require that the Bye-law or Articles of Association or similar organizational documents of each subsidiary of the Company, organized under the laws of a jurisdiction outside the United States of America, other than any non-U.S. subsidiary that is a direct or indirect subsidiary of a U.S. Person, shall contain provisions substantially similar to Bye-law 43 and 44. The Company shall enter into agreements, as and when determined by the Board, with each such subsidiary, only if and to the extent reasonably necessary and permitted under applicable law, to effectuate or implement this Bye-law.

DIRECTORS AND OFFICERS

45. Election of Directors

45.1 The Board shall consist of such number of Directors being not less than three (3) Directors and not more than such maximum number of Directors, not exceeding eleven (11) Directors, as the Board may from time to time determine.

45.2 Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member or the Board may propose any person for election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Where a Director is to be elected:

(a) at an annual general meeting, such notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to Members or the date on which public disclosure of the date of the annual general meeting was made; and

(b) at a special general meeting, such notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to Members or the date on which public disclosure of the date of the special general meeting was made.

45.3 Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

45.4 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

46. Intentionally Omitted

47. Term of Office of Directors

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

48. Alternate Directors

48.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

48.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

48.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

48.4 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

49. Removal of Directors

49.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director, only with cause, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

49.2 If a Director is removed from the Board under the provisions of this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed and a Director so appointed shall hold office in the same class of Directors as the removed Director held until the next annual general meeting or until such Director's office is otherwise vacated. In the absence of such election or appointment, the Board may fill the vacancy.

49.3 For the purpose of Bye-law 49.1, "cause" shall mean a conviction for a criminal offence involving dishonesty or engaging in conduct which brings the Director or the Company into disrepute and which results in material financial detriment to the Company.

50. Vacancy in the Office of Director

50.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or dies; or

(d) resigns his office by notice to the Company.

50.2 The Members in general meeting or the Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board and to appoint an Alternate Director to any Director so appointed.

51. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

52. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers shall, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

53. Directors to Manage Business

53.1 The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

53.2 Subject to these Bye-laws, the Board may delegate to any company, firm, person, or body of persons any power of the Board (including the power to sub-delegate).

54. Powers of the Board of Directors

The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company and listing the shares of the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

55. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

56. Appointment of Officers

The Board may appoint such officers (who may or may not be Directors) as the Board may determine.

57. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time.

58. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

59. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

60. Conflicts of Interest

60.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

60.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

60.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

61. Indemnification and Exculpation of Directors and Officers

61.1 The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof, and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty (as determined in a final judgment or decree not subject to appeal) on the part of any of the said persons. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.

61.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

61.3 The Company may advance moneys to an Officer, Director or auditor for the costs, charges and expenses incurred by the Officer, Director or auditor in defending any civil or criminal proceedings against them, on condition that the Officer, Director or auditor shall repay the advance if any allegation of fraud or dishonesty is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

62. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Subject to these Bye-laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

63. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

64. Electronic Participation in Meetings

Directors may participate in any meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

65. Quorum at Board Meetings

The quorum necessary for the transaction of business at a meeting of the Board shall be two Directors.

66. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

67. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending , the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

68. Written Resolutions

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution (provided that (i) any such resolution shall be valid only if the signature of the last Director to sign is affixed outside the United States (unless the Board dispenses with this requirement), and (ii) the Board may declare such resolution to be invalid if the Board determines that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates). For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

69. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

70. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

71. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

72. Form and Use of Seal

72.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

72.2 A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director; or (ii) any Officer; or (iii) the Secretary; or (iv) any person authorized by the Board for that purpose.

72.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

73. Books of Account

73.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

73.2 Such records of account shall be kept at the registered office of the Company, or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

74. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

75. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

76. Appointment of Auditor

76.1 Subject to the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.

76.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

77. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 82, the remuneration of the Auditor shall be fixed by the Board.

78. Duties of Auditor

78.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

78.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

79. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

80. Financial Statements

Subject to any rights to waive laying of accounts pursuant to the Act, financial statements as required by the Act shall be laid before the Members in general meeting. A resolution in writing made in accordance with Bye-law 41 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in general meeting.

81. Distribution of Auditor's report

The report of the Auditor shall be submitted to the Members in general meeting.

82. Vacancy in the Office of Auditor

If the office of Auditor becomes vacant by the resignation or death or the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the vacancy thereby created shall be filled in accordance with the Act.

BUSINESS COMBINATIONS

83. Business Combinations

83.1 (a) Any Business Combination with any Interested Shareholder within a period of three years following the time of the transaction in which the person become an Interested Shareholder must be approved by the Board and authorised at an annual or special general meeting, by the affirmative vote of at least 66 and 2/3% of the issued and outstanding voting shares of the Company that are not owned by the Interested Shareholder unless:

(i) prior to the time that the person became an Interested Shareholder, the Board approved either the Business Combination or the transaction which resulted in the person becoming an Interested Shareholder; or

(ii) upon consummation of the transaction which resulted in the person becoming an Interested Shareholder, the Interested Shareholder owned at least 85% of the number of issued and outstanding voting shares of the Company at the time the transaction commenced, excluding for the purposes of determining the number of shares issued and outstanding those shares owned (i) by persons who are directors and also officers and (ii) employee share plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer.

(b) The restrictions contained in this Bye-law 83.1 shall not apply if:

(i) a Member becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the Member ceases to be an Interested Shareholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Company and such Member, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or

(ii) the Business Combination is proposed prior to the consummation or abandonment of, and subsequent to the earlier of the public announcement or the notice required hereunder of, a proposed transaction which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an Interested Shareholder during the previous three years or who became an Interested Shareholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the members of the Board then in office who were Directors prior to any person becoming an Interested Shareholder during the previous three years or were recommended for election or elected to succeed such Directors by resolution of the Board approved by a majority of such Directors. The proposed transactions referred to in the preceding sentence are limited to:

(a) a merger, amalgamation or consolidation of the Company (except an amalgamation in respect of which, pursuant to the Act, no vote of the shareholders of the Company is required);

(b) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-owned by the Company (other than to the Company or any entity directly or indirectly wholly-owned by the Company) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company; or

(c) a proposed tender or exchange offer for 50% or more of the issued and outstanding voting shares of the Company.

The Company shall give not less than 20 days notice to all Interested Shareholders prior to the consummation of any of the transactions described in subparagraphs (a) or (b) of the second sentence of this paragraph (ii).

(c) For the purpose of this Bye-law 83 only, the term:

(i) "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person;

(ii) "associate," when used to indicate a relationship with any person, means: (i) any company, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting shares; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person;

(iii) "Business Combination," when used in reference to the Company and any Interested Shareholder of the Company, means:

(a) any merger, amalgamation or consolidation of the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company, wherever incorporated, with (A) the Interested Shareholder or any of its affiliates, or (B) with any other company, partnership, unincorporated association or other entity if the merger, amalgamation or consolidation is caused by the Interested Shareholder;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of the Company, to or with the Interested Shareholder, whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-owned by the Company which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company;

(c) any transaction which results in the issuance or transfer by the Company or by any entity directly or indirectly wholly-owned or majority-owned by the Company of any shares of the Company, or any share of such entity, to the Interested Shareholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which securities were issued and outstanding prior to the time that the Interested Shareholder became such; (B) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which security is distributed, pro rata to all holders of a class or series of shares subsequent to the time the Interested Shareholder became such; (C) pursuant to an exchange offer by the Company to purchase shares made on the same terms to all holders of such shares; or (D) any issuance or transfer of shares by the Company; provided however, that in no case under items (B)-(D) of this subparagraph shall there be an increase in the Interested Shareholder's proportionate share of the any class or series of shares;

(d) any transaction involving the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company which has the effect, directly or indirectly, of increasing the proportionate share of any class or series of shares, or securities convertible into any class or series of shares of the Company, or shares of any such entity, or securities convertible into such shares, which is owned by the Interested Shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any repurchase or redemption of any shares not caused, directly or indirectly, by the Interested Shareholder; or

(e) any receipt by the Interested Shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the Company), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (a)-(d) of this paragraph) provided by or through the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company;

(iv) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract or otherwise. A person who is the owner of 20% or more of the issued and outstanding voting shares of any company, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; provided that notwithstanding the foregoing, such presumption of control shall not apply where such person holds voting shares, in good faith and not for the purpose of circumventing this provision, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;

(v) "Interested Shareholder" means any person (other than the Company and any entity directly or indirectly wholly-owned or majority-owned by the Company) that (i) is the owner of 15% or more of the issued and outstanding voting shares of the Company, (ii) is an affiliate or associate of the Company and was the owner of 15% or more of the issued and outstanding voting shares of the Company at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Shareholder or (iii) is an affiliate or associate of any person listed in (i) or (ii) above; provided, however, that the term "Interested Shareholder" shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Company unless such person referred to in this proviso acquires additional voting shares of the Company otherwise than as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Shareholder, the voting shares of the Company deemed to be issued and outstanding shall include voting shares deemed to be owned by the person through application of paragraph (8) below, but shall not include any other unissued shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;

(vi) "person" means any individual, company, partnership, unincorporated association or other entity;

(vii) "voting shares" means, with respect to any company, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a company, any equity interest entitled to vote generally in the election of the governing body of such entity;

(viii) "owner," including the terms "own" and "owned," when used with respect to any shares, means a person that individually or with or through any of its affiliates or associates:

(a) beneficially owns such shares, directly or indirectly; or

(b) has (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered shares are accepted for purchase or exchange; or (B) the right to vote such shares pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any shares because of such person's right to vote such shares if the agreement, arrangement or understanding to vote such shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(c) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subparagraph (b) of this paragraph), or disposing of such shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such shares.

83.2 In respect of any Business Combination to which the restrictions contained in Bye-law 83.1 do not apply but which the Act requires to be approved by the Members, the necessary general meeting quorum and Members' approval shall be as set out in Bye-laws 27 and 29 respectively.

VOLUNTARY WINDING-UP AND DISSOLUTION

84. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

85. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made until the same has been approved by a resolution of the Board and by a resolution of the Members.

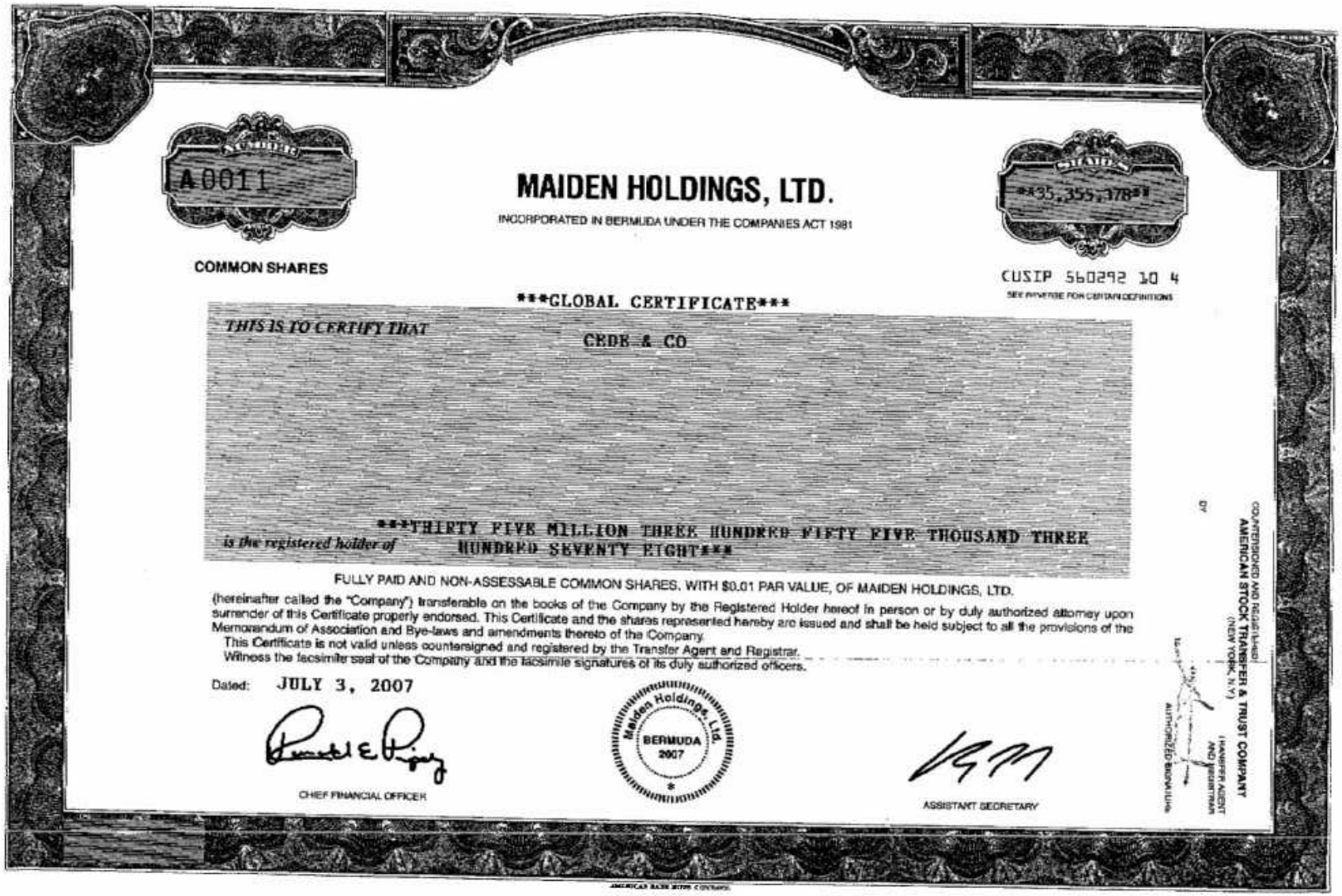
86. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

87. Amalgamation

Any resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of a simple majority of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-law 27 and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-law 30.

EXHIBIT 4.1



NUMBER A0011

MAIDEN HOLDINGS, LTD.

INCORPORATED IN BERMUDA UNDER THE COMPANIES ACT 1981

SHARES **35,355,378**

COMMON SHARES

CUSIP 560292 10 4

SEE REVERSE FOR CERTAIN DEFINITIONS

GLOBAL CERTIFICATE

THIS IS TO CERTIFY THAT CEDE & CO

is the registered holder of ***THIRTY FIVE MILLION THREE HUNDRED FIFTY FIVE THOUSAND THREE HUNDRED SEVENTY EIGHT***

FULLY PAID AND NON-ASSESSABLE COMMON SHARES, WITH $0.01 PAR VALUE, OF MAIDEN HOLDINGS, LTD.

(hereinafter called the "Company") transferable on the books of the Company by the Registered Holder hereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Memorandum of Association and Bye-laws and amendments thereto of the Company.

This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated: JULY 3, 2007

Maiden Holdings, Ltd. BERMUDA 2007

CHIEF FINANCIAL OFFICER

ASSISTANT SECRETARY

COUNTERSIGNED AND REGISTERED
AMERICAN STOCK TRANSFER & TRUST COMPANY
(NEW YORK, N.Y.)
TRANSFER AGENT AND REGISTRAR

BY

AUTHORIZED SIGNATURE

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, TRANSFERRED OR SOLD EXCEPT AS SET FORTH BELOW. BY ITS, HIS OR HER ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT, HE OR SHE IS AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT), OR (C) IT, HE OR SHE IS AN INVESTOR THAT IS NOT PURCHASING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND IS PURCHASING SUCH SHARES IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S OF THE SECURITIES ACT; (2) AGREES THAT IT, HE OR SHE WILL NOT RE-OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER THEREOF OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN A TRANSACTION COMPLYING WITH REGULATION S UNDER THE SECURITIES ACT OR (E) IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (A) THROUGH (E) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES; (3) WILL NOT ENGAGE IN HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY UNLESS IN COMPLIANCE WITH THE SECURITIES ACT; AND (4) AGREES THAT IT, HE OR SHE WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN THAT CERTAIN REGISTRATION RIGHTS AGREEMENT BETWEEN THE ISSUER AND FRIEDMAN, BILLINGS, RAMSEY & CO., INC., DATED AS OF JULY 3, 2007 (THE "REGISTRATION RIGHTS AGREEMENT") AS THE SAME MAY BE AMENDED FROM TIME TO TIME, THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER. PURSUANT TO THE REGISTRATION RIGHTS AGREEMENT, HOLDERS OF THESE COMMON SHARES ARE ENTITLED TO CERTAIN REGISTRATION RIGHTS TO HAVE THE RESALE OF THEIR SHARES REGISTERED UNDER THE SECURITIES ACT. ADDITIONAL TRANSFER RESTRICTIONS MAY APPLY UNDER THE REGISTRATION RIGHTS AGREEMENT IN CONNECTION WITH CERTAIN REGISTERED OFFERINGS BY THE ISSUER. BY ITS ACCEPTANCE OF THIS CERTIFICATE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF THE REGISTRATION RIGHTS AGREEMENT.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors
Act .....
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____

of the Common Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated _____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

_____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN OR DESTROYED, THE COMPANY WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

THIS WARRANT AND THE SECURITIES REPRESENTED BY THIS WARRANT HAVE BEEN ACQUIRED FOR INVESTMENT AMD HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS. THE TRANSFER OF ANY COMMON SHARES ISSUABLE UPON THE EXERCISE HEREOF IS SUBJECT TO THE TRANSFER RESTRICTIONS SPECIFIED IN SECTION 4.5 OF THIS WARRANT. THIS WARRANT MAY NOT BE EXERCISED AND THE WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR FOREIGN SECURITIES LAWS, UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR QUALIFICATION UNDER ANY OTHER APPLICABLE SECURITIES LAWS.

MAIDEN HOLDINGS, LTD.

Warrant To Purchase 1,350,000 Common Shares

Issuance Date: June 7, 2007

This Warrant Certifies That, for value received, **George Karfunkel** (the "***Holder***"), is entitled to subscribe for and purchase at the Exercise Price (defined below) from **Maiden Holdings, Ltd**., a Cayman Islands company (the "***Company***"), on the terms and subject to the conditions hereinafter set forth, One Million Three Hundred Fifty Thousand (1,350,000) Common Shares (defined below) of the Company.

1. DEFINITIONS. In addition to the definitions set forth in this Warrant, as used herein, the following terms shall have the following respective meanings:

"Affiliate" shall mean, with respect to any specified person, any other person controlling, controlled by, or under common control with, such person. For the purposes of this definition, control when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or in Bermuda, or a day on which banking institutions in the State of New York or Bermuda are authorized or required by law or other government action to close.

"Common Shares" shall mean common shares, $0.01 par value each, of the Company.

"Exercise Price" shall mean Ten United States Dollars (U.S.$10.00) per share, subject to adjustment pursuant to Section 5 below; *provided*, that at no time shall the Exercise Price be less than the then current par value of any share to be issued pursuant hereto.

"Warrant Shares" shall mean the number of the Company's Common Shares issuable upon exercise of this Warrant, subject to adjustment pursuant to the terms herein, including but not limited to adjustment pursuant to Section 5 below.

2. EXERCISE OF WARRANT. Subject to the limitations set forth in Section 4.5 of this Warrant, the rights represented by this Warrant may be exercised in whole or in part during the period commencing on the Issuance Date of this Warrant and ending on the tenth anniversary thereof (such period being referred to as the "***Exercise Period***") by delivery of the following to the Company at its address set forth below (or at such other address as it may designate by notice in writing to the Holder):

(a) An executed Notice of Exercise in the form attached hereto;

(b) Payment of the Exercise Price by any of the following: (i) in cash, (ii) by check, or (iii) in immediately available funds, by wire transfer to a bank account designated in writing by the Company; and

(c) This warrant.

Upon the exercise of the rights represented by this Warrant, if applicable, the Company shall use reasonable efforts to complete as quickly as possible the requirements of Section 42A of the Bermuda Companies Act 1981, as amended (the "***Bermuda Act***"), and a certificate or certificates for the Warrant Shares so purchased, registered in the name of the Holder or persons affiliated with the Holder, if the Holder so designates (and subject to securities law limitations as to any such Affiliate and the transfer restrictions contained in the Company's Bye-laws), shall be issued and delivered to the Holder or the Holder's designee, as the case may be, within five (5) Business Days after the rights represented by this Warrant shall have been so exercised. In the event that this Warrant is being exercised for less than all of the then current number of Warrant Shares purchasable hereunder, the Company shall, concurrently with the issuance by the Company of the number of Warrant Shares for which this Warrant is then being exercised, issue a new Warrant to the Holder, which shall be identical hereto, except that the number of remaining Warrant Shares covered thereby shall be adjusted accordingly, and exercisable for the remaining number of Warrant Shares purchasable hereunder.

The person in whose name any certificate or certificates for Warrant Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the latest of (i) the date the Company receives the executed Notice of Exercise, payment of the Exercise Price, if any, and this Warrant; (ii) if applicable, the date the Company has complied with the requirements of Section 42A of the Bermuda Act; and (iii) the date on which the Holder's or designee's name is entered in the Register of Members of the Company, irrespective of the date of delivery of such certificate or certificates.

3. COVENANTS OF THE COMPANY.

3.1 Covenants as to Warrant Shares. The Company covenants and agrees that all Warrant Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times hereunder have authorized and reserved, free from preemptive rights, a sufficient number of its Common Shares to provide for the exercise of the rights represented by this Warrant. If the number of authorized but unissued Common Shares shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purposes.

3.2 Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is comparable to cash dividends paid in previous quarters) or other distribution, the Company shall mail to the Holder, at least ten (10) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

4. REPRESENTATIONS AND COVENANTS OF HOLDER.

4.1 Acquisition of Warrant for Own Account. The Holder represents and warrants that it is acquiring the Warrant and the Warrant Shares solely for its account for investment and not with a view to or for sale or distribution of said Warrant or Warrant Shares or any part thereof. The Holder also represents that the entire legal and beneficial interests of the Warrant and Warrant Shares the Holder is acquiring is being acquired for, and will be held for, its account only.

4.2 Securities Are Not Registered.

(a) The Holder understands that the Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), on the basis that no distribution or public offering of the shares of the Company is to be effected. The Holder realizes that the basis for the exemption may not be present if, notwithstanding its representations, the Holder has a present intention of acquiring the securities for a fixed or determinable period in the future, selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the securities. The Holder has no such present intention.

(b) The Holder recognizes that the Warrant and the Warrant Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The Holder recognizes that the Company has no obligation to register the Warrant, or to comply with any exemption from such registration.

(c) The Holder is aware that neither the Warrant nor the Warrant Shares may be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale following the required holding period under Rule 144 and the number of shares being sold during any three month period not exceeding specified limitations. Holder is aware that the conditions for resale set forth in Rule 144 have not been satisfied and that there can be no assurance that the Company will satisfy these conditions in the foreseeable future.

4.3 Legended Shares.

The Holder understands and agrees that all certificates evidencing the Common Shares to be issued in connection with the exercise of this Warrant will bear legends substantially in the form set forth below:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED (EXCEPT TO THE COMPANY OR A SUBSIDIARY THEREOF) UNLESS (I) (A) THERE IS IN EFFECT A REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE SECURITIES ACT, OR (B) A WRITTEN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED IS PROVIDED TO THE COMPANY, AND (II) THE TRANSFEREE, IF APPLICABLE, HAS OBTAINED THE CONSENT OF THE BERMUDA MONETARY AUTHORITY.

IN ADDITION, ANY SALE, OFFER FOR SALE, PLEDGE OR HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY, AND THE RIGHTS ATTACHING TO THESE SECURITIES ARE SUBJECT TO, THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT ISSUED ON JUNE 7, 2007 BY THE COMPANY TO GEORGE KARFUNKEL (THE "GEORGE KARFUNKEL WARRANT") AND IN THE BYE-LAWS OF THE COMPANY, AS THEY MAY BE AMENDED FROM TIME TO TIME, WHICH ARE AVAILABLE FOR EXAMINATION BY HOLDERS OF SECURITIES AT THE REGISTERED OFFICE OF THE COMPANY.

UNDER THE TERMS OF THE GEORGE KARFUNKEL WARRANT, THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED PRIOR TO JUNE 7, 2010.

4.4 Accredited Investor Status. The Holder is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

4.5 Transfer Restriction. The Holder hereby acknowledges, covenants and agrees that the Warrant Shares may not be sold, offered for sale, hypothecated, assigned or otherwise transferred, directly or indirectly, prior to June 7, 2010.

4.6 Reservation of Shares. The Company covenants and agrees that the Company will, at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by the Warrant. The Company further covenants and agrees to take all such actions as may be necessary to ensure that all Common Shares delivered upon exercise of this Warrant will be duly and validly authorized and issued and fully paid and nonassessable and free from preemptive rights with respect to the issue thereof.

5. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price in effect and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as provided in this Section 5 and in Section 7 below. In the event of changes in the outstanding Common Shares of the Company by reason of share dividends, splits, recapitalizations, reclassifications, combinations or exchanges of shares, reorganizations, liquidations, or the like, the number and class of Exercise Shares available under the Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class, and kind of shares as the Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercise Shares subject to this Warrant.

6. FRACTIONAL SHARES. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of an Exercise Share by such fraction.

7. REORGANIZATION. In the event of, at any time during the Exercise Period, any capital reorganization, or any reclassification of the capital shares of the Company (other than a change in par value or as a result of a share dividend or subdivision, split-up or combination of shares), or the consolidation, amalgamation or merger of the Company with or into another corporation, or the sale or other disposition of all or substantially all the properties and assets of the Company in its entirety to any other person (an "***Organic Change***"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Common Shares of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding Common Shares equal to the number of shares immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby.

8. NO SHAREHOLDER RIGHTS. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

9. REGISTRATION RIGHTS. The Company shall afford the Holder certain registration rights with respect to the Warrant Shares in accordance with the terms and subject to the conditions of that certain Registration Rights Agreement between the Company and Barry D. Zyskind, George Karfunkel and Michael Karfunkel to be entered into in connection with the Company's proposed private placement of Common Shares contemplated by the preliminary offering memorandum dated June 7, 2007.

10. TRANSFER OF WARRANT. Neither this Warrant nor any of the rights or interests of the Holder hereunder are transferable or assignable, except by operation of law, without the prior written consent of the Company. Subject to the foregoing and Section 4 above, this warrant and the rights and interests of the Holder hereunder may be transferred as to all or any part of the Common Shares issuable upon exercise hereof, provided that the Holder and the transferee shall deliver to the Company a properly completed and executed Assignment Form in the form attached to this Warrant.

11. LOST, STOLEN, MUTILATED OR DESTROYED WARRANT. Upon receipt of evidence satisfactory to the Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant and of indemnity (other than in connection with any mutilated Warrant surrendered to the Company for cancellation) reasonably satisfactory to the Company, upon reimbursement of the Company's reasonable direct expenses, and upon such other terms as the Company may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), the Company shall issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

12. NOTICES, ETC. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address listed on the signature page and to the Holder at AmTrust Financial Services, 59 Maiden Lane, 6th Floor, New York, New York 10038, or at such other address as the Company or Holder may designate by ten (10) days advance written notice to the other parties hereto.

13. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

14. GOVERNING LAW. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed under the laws of the State of New York, without giving effect to conflicts of laws principles.

15. SEVERABILITY. In the event that any provision or any part of any provision of this Warrant shall be void or unenforceable for any reason whatsoever, then such provision shall be stricken and of no force and effect. However, unless such stricken provision goes to the essence of the consideration bargained for by a party, the remaining provisions of this Warrant shall continue in full force and effect, and to the extent required, shall be modified to preserve their validity.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of June 7, 2007.

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Secretary

Address: 7 Reid Street
Hamilton HM 12 Bermuda
Attn: Bentzion S. Turin
Facsimile: (441) 292-5796

NOTICE OF EXERCISE

To: Maiden Holdings, Ltd.

(1) The undersigned hereby elects to purchase ___ Common Shares of **Maiden Holdings, Ltd.** (the "***Company***") pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said Common Shares in the name of the undersigned.

(3) The undersigned represents that (i) the aforesaid Common Shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision regarding its investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the Common Shares issuable upon exercise of this Warrant have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (vi) the undersigned agrees not to make any disposition of all or any part of the aforesaid Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

_____ _____

(Date) (Signature)

_____

(Print name)

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

with respect to _____ shares of Common Stock.

Dated: _____, 20__

Holder's
Signature: _____

Holder's
Address: _____

NOTE: The signature of the Holder on this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

The undersigned represents that (i) the aforesaid Warrant and the Common Shares issuable upon exercise thereof are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such Warrant or Common Shares; (ii) the undersigned understands that such Warrant and Common Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (iii) the undersigned is aware that the aforesaid Warrant and Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held such Warrant or Common Shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (iv) the undersigned agrees not to make any disposition of all or any part of the aforesaid Warrant or Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

Holder's
Signature: _____

THIS WARRANT AND THE SECURITIES REPRESENTED BY THIS WARRANT HAVE BEEN ACQUIRED FOR INVESTMENT AMD HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS. THE TRANSFER OF ANY COMMON SHARES ISSUABLE UPON THE EXERCISE HEREOF IS SUBJECT TO THE TRANSFER RESTRICTIONS SPECIFIED IN SECTION 4.5 OF THIS WARRANT. THIS WARRANT MAY NOT BE EXERCISED AND THE WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR FOREIGN SECURITIES LAWS, UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR QUALIFICATION UNDER ANY OTHER APPLICABLE SECURITIES LAWS.

MAIDEN HOLDINGS, LTD.

Warrant To Purchase 1,350,000 Common Shares

Issuance Date: June 7, 2007

This Warrant Certifies That, for value received, **Michael Karfunkel** (the "***Holder***"), is entitled to subscribe for and purchase at the Exercise Price (defined below) from **Maiden Holdings, Ltd**., a Cayman Islands company (the "***Company***"), on the terms and subject to the conditions hereinafter set forth, One Million Three Hundred Fifty Thousand (1,350,000) Common Shares (defined below) of the Company.

1. DEFINITIONS. In addition to the definitions set forth in this Warrant, as used herein, the following terms shall have the following respective meanings:

"Affiliate" shall mean, with respect to any specified person, any other person controlling, controlled by, or under common control with, such person. For the purposes of this definition, control when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or in Bermuda, or a day on which banking institutions in the State of New York or Bermuda are authorized or required by law or other government action to close.

"Common Shares" shall mean common shares, $0.01 par value each, of the Company.

"Exercise Price" shall mean Ten United States Dollars (U.S.$10.00) per share, subject to adjustment pursuant to Section 5 below; *provided*, that at no time shall the Exercise Price be less than the then current par value of any share to be issued pursuant hereto.

"Warrant Shares" shall mean the number of the Company's Common Shares issuable upon exercise of this Warrant, subject to adjustment pursuant to the terms herein, including but not limited to adjustment pursuant to Section 5 below.

2. EXERCISE OF WARRANT. Subject to the limitations set forth in Section 4.5 of this Warrant, the rights represented by this Warrant may be exercised in whole or in part during the period commencing on the Issuance Date of this Warrant and ending on the tenth anniversary thereof (such period being referred to as the "***Exercise Period***") by delivery of the following to the Company at its address set forth below (or at such other address as it may designate by notice in writing to the Holder):

(a) An executed Notice of Exercise in the form attached hereto;

(b) Payment of the Exercise Price by any of the following: (i) in cash, (ii) by check, or (iii) in immediately available funds, by wire transfer to a bank account designated in writing by the Company; and

(c) This warrant.

Upon the exercise of the rights represented by this Warrant, if applicable, the Company shall use reasonable efforts to complete as quickly as possible the requirements of Section 42A of the Bermuda Companies Act 1981, as amended (the "***Bermuda Act***"), and a certificate or certificates for the Warrant Shares so purchased, registered in the name of the Holder or persons affiliated with the Holder, if the Holder so designates (and subject to securities law limitations as to any such Affiliate and the transfer restrictions contained in the Company's Bye-laws), shall be issued and delivered to the Holder or the Holder's designee, as the case may be, within five (5) Business Days after the rights represented by this Warrant shall have been so exercised. In the event that this Warrant is being exercised for less than all of the then current number of Warrant Shares purchasable hereunder, the Company shall, concurrently with the issuance by the Company of the number of Warrant Shares for which this Warrant is then being exercised, issue a new Warrant to the Holder, which shall be identical hereto, except that the number of remaining Warrant Shares covered thereby shall be adjusted accordingly, and exercisable for the remaining number of Warrant Shares purchasable hereunder.

The person in whose name any certificate or certificates for Warrant Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the latest of (i) the date the Company receives the executed Notice of Exercise, payment of the Exercise Price, if any, and this Warrant; (ii) if applicable, the date the Company has complied with the requirements of Section 42A of the Bermuda Act; and (iii) the date on which the Holder's or designee's name is entered in the Register of Members of the Company, irrespective of the date of delivery of such certificate or certificates.

3. COVENANTS OF THE COMPANY.

3.1 Covenants as to Warrant Shares. The Company covenants and agrees that all Warrant Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times hereunder have authorized and reserved, free from preemptive rights, a sufficient number of its Common Shares to provide for the exercise of the rights represented by this Warrant. If the number of authorized but unissued Common Shares shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purposes.

3.2 Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is comparable to cash dividends paid in previous quarters) or other distribution, the Company shall mail to the Holder, at least ten (10) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

4. REPRESENTATIONS AND COVENANTS OF HOLDER.

4.1 Acquisition of Warrant for Own Account. The Holder represents and warrants that it is acquiring the Warrant and the Warrant Shares solely for its account for investment and not with a view to or for sale or distribution of said Warrant or Warrant Shares or any part thereof. The Holder also represents that the entire legal and beneficial interests of the Warrant and Warrant Shares the Holder is acquiring is being acquired for, and will be held for, its account only.

4.2 Securities Are Not Registered.

(a) The Holder understands that the Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), on the basis that no distribution or public offering of the shares of the Company is to be effected. The Holder realizes that the basis for the exemption may not be present if, notwithstanding its representations, the Holder has a present intention of acquiring the securities for a fixed or determinable period in the future, selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the securities. The Holder has no such present intention.

(b) The Holder recognizes that the Warrant and the Warrant Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The Holder recognizes that the Company has no obligation to register the Warrant, or to comply with any exemption from such registration.

(c) The Holder is aware that neither the Warrant nor the Warrant Shares may be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale following the required holding period under Rule 144 and the number of shares being sold during any three month period not exceeding specified limitations. Holder is aware that the conditions for resale set forth in Rule 144 have not been satisfied and that there can be no assurance that the Company will satisfy these conditions in the foreseeable future.

4.3 Legended Shares.

The Holder understands and agrees that all certificates evidencing the Common Shares to be issued in connection with the exercise of this Warrant will bear legends substantially in the form set forth below:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED (EXCEPT TO THE COMPANY OR A SUBSIDIARY THEREOF) UNLESS (I) (A) THERE IS IN EFFECT A REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE SECURITIES ACT, OR (B) A WRITTEN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED IS PROVIDED TO THE COMPANY, AND (II) THE TRANSFEREE, IF APPLICABLE, HAS OBTAINED THE CONSENT OF THE BERMUDA MONETARY AUTHORITY.

IN ADDITION, ANY SALE, OFFER FOR SALE, PLEDGE OR HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY, AND THE RIGHTS ATTACHING TO THESE SECURITIES ARE SUBJECT TO, THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT ISSUED ON JUNE 7, 2007 BY THE COMPANY TO MICHAEL KARFUNKEL (THE "MICHAEL KARFUNKEL WARRANT") AND IN THE BYE-LAWS OF THE COMPANY, AS THEY MAY BE AMENDED FROM TIME TO TIME, WHICH ARE AVAILABLE FOR EXAMINATION BY HOLDERS OF SECURITIES AT THE REGISTERED OFFICE OF THE COMPANY.

UNDER THE TERMS OF THE MICHAEL KARFUNKEL WARRANT, THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED PRIOR TO JUNE 7, 2010.

4.4 Accredited Investor Status. The Holder is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

4.5 Transfer Restriction. The Holder hereby acknowledges, covenants and agrees that the Warrant Shares may not be sold, offered for sale, hypothecated, assigned or otherwise transferred, directly or indirectly, prior to June 7, 2010.

4.6 Reservation of Shares. The Company covenants and agrees that the Company will, at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by the Warrant. The Company further covenants and agrees to take all such actions as may be necessary to ensure that all Common Shares delivered upon exercise of this Warrant will be duly and validly authorized and issued and fully paid and nonassessable and free from preemptive rights with respect to the issue thereof.

5. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price in effect and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as provided in this Section 5 and in Section 7 below. In the event of changes in the outstanding Common Shares of the Company by reason of share dividends, splits, recapitalizations, reclassifications, combinations or exchanges of shares, reorganizations, liquidations, or the like, the number and class of Exercise Shares available under the Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class, and kind of shares as the Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercise Shares subject to this Warrant.

6. FRACTIONAL SHARES. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of an Exercise Share by such fraction.

7. REORGANIZATION. In the event of, at any time during the Exercise Period, any capital reorganization, or any reclassification of the capital shares of the Company (other than a change in par value or as a result of a share dividend or subdivision, split-up or combination of shares), or the consolidation, amalgamation or merger of the Company with or into another corporation, or the sale or other disposition of all or substantially all the properties and assets of the Company in its entirety to any other person (an "***Organic Change***"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Common Shares of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding Common Shares equal to the number of shares immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby.

8. NO SHAREHOLDER RIGHTS. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

9. REGISTRATION RIGHTS. The Company shall afford the Holder certain registration rights with respect to the Warrant Shares in accordance with the terms and subject to the conditions of that certain Registration Rights Agreement between the Company and Barry D. Zyskind, George Karfunkel and Michael Karfunkel to be entered into in connection with the Company's proposed private placement of Common Shares contemplated by the preliminary offering memorandum dated June 7, 2007.

10. TRANSFER OF WARRANT. Neither this Warrant nor any of the rights or interests of the Holder hereunder are transferable or assignable, except by operation of law, without the prior written consent of the Company. Subject to the foregoing and Section 4 above, this warrant and the rights and interests of the Holder hereunder may be transferred as to all or any part of the Common Shares issuable upon exercise hereof, provided that the Holder and the transferee shall deliver to the Company a properly completed and executed Assignment Form in the form attached to this Warrant.

11. LOST, STOLEN, MUTILATED OR DESTROYED WARRANT. Upon receipt of evidence satisfactory to the Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant and of indemnity (other than in connection with any mutilated Warrant surrendered to the Company for cancellation) reasonably satisfactory to the Company, upon reimbursement of the Company's reasonable direct expenses, and upon such other terms as the Company may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), the Company shall issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

12. NOTICES, ETC. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address listed on the signature page and to the Holder at AmTrust Financial Services, 59 Maiden Lane, 6th Floor, New York, New York 10038, or at such other address as the Company or Holder may designate by ten (10) days advance written notice to the other parties hereto.

13. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

14. GOVERNING LAW. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed under the laws of the State of New York, without giving effect to conflicts of laws principles.

15. SEVERABILITY. In the event that any provision or any part of any provision of this Warrant shall be void or unenforceable for any reason whatsoever, then such provision shall be stricken and of no force and effect. However, unless such stricken provision goes to the essence of the consideration bargained for by a party, the remaining provisions of this Warrant shall continue in full force and effect, and to the extent required, shall be modified to preserve their validity.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of June 7, 2007.

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin

Name: Bentzion S. Turin

Title: Chief Operating Officer, General Counsel and Secretary

Address: 7 Reid Street
Hamilton HM 12 Bermuda
Attn: Bentzion S. Turin
Facsimile: (441) 292-5796

NOTICE OF EXERCISE

To: Maiden Holdings, Ltd.

(1) The undersigned hereby elects to purchase ___ Common Shares of **Maiden Holdings, Ltd.** (the "***Company***") pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said Common Shares in the name of the undersigned.

(3) The undersigned represents that (i) the aforesaid Common Shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision regarding its investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the Common Shares issuable upon exercise of this Warrant have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (vi) the undersigned agrees not to make any disposition of all or any part of the aforesaid Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

(Date)	(Signature)
	(Print name)

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

with respect to _____ shares of Common Stock.

Dated:_____, 20__

Holder's
Signature: _____

Holder's
Address: _____

NOTE: The signature of the Holder on this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

The undersigned represents that (i) the aforesaid Warrant and the Common Shares issuable upon exercise thereof are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such Warrant or Common Shares; (ii) the undersigned understands that such Warrant and Common Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (iii) the undersigned is aware that the aforesaid Warrant and Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held such Warrant or Common Shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (iv) the undersigned agrees not to make any disposition of all or any part of the aforesaid Warrant or Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

Assignee's
Signature: _____

THIS WARRANT AND THE SECURITIES REPRESENTED BY THIS WARRANT HAVE BEEN ACQUIRED FOR INVESTMENT AMD HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS. THE TRANSFER OF ANY COMMON SHARES ISSUABLE UPON THE EXERCISE HEREOF IS SUBJECT TO THE TRANSFER RESTRICTIONS SPECIFIED IN SECTION 4.5 OF THIS WARRANT. THIS WARRANT MAY NOT BE EXERCISED AND THE WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR FOREIGN SECURITIES LAWS, UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR QUALIFICATION UNDER ANY OTHER APPLICABLE SECURITIES LAWS.

MAIDEN HOLDINGS, LTD.

Warrant To Purchase 1,350,000 Common Shares

Issuance Date: June 7, 2007

This Warrant Certifies That, for value received, **Barry D. Zyskind** (the "***Holder***"), is entitled to subscribe for and purchase at the Exercise Price (defined below) from **Maiden Holdings, Ltd**., a Cayman Islands company (the "***Company***"), on the terms and subject to the conditions hereinafter set forth, One Million Three Hundred Fifty Thousand (1,350,000) Common Shares (defined below) of the Company.

1. DEFINITIONS. In addition to the definitions set forth in this Warrant, as used herein, the following terms shall have the following respective meanings:

"Affiliate" shall mean, with respect to any specified person, any other person controlling, controlled by, or under common control with, such person. For the purposes of this definition, control when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Day" shall mean any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or in Bermuda, or a day on which banking institutions in the State of New York or Bermuda are authorized or required by law or other government action to close.

"Common Shares" shall mean common shares, $0.01 par value each, of the Company.

"Exercise Price" shall mean Ten United States Dollars (U.S.$10.00) per share, subject to adjustment pursuant to Section 5 below; *provided*, that at no time shall the Exercise Price be less than the then current par value of any share to be issued pursuant hereto.

"Warrant Shares" shall mean the number of the Company's Common Shares issuable upon exercise of this Warrant, subject to adjustment pursuant to the terms herein, including but not limited to adjustment pursuant to Section 5 below.

2. EXERCISE OF WARRANT. Subject to the limitations set forth in Section 4.5 of this Warrant, the rights represented by this Warrant may be exercised in whole or in part during the period commencing on the Issuance Date of this Warrant and ending on the tenth anniversary thereof (such period being referred to as the "***Exercise Period***") by delivery of the following to the Company at its address set forth below (or at such other address as it may designate by notice in writing to the Holder):

(a) An executed Notice of Exercise in the form attached hereto;

(b) Payment of the Exercise Price by any of the following: (i) in cash, (ii) by check, or (iii) in immediately available funds, by wire transfer to a bank account designated in writing by the Company; and

(c) This warrant.

Upon the exercise of the rights represented by this Warrant, if applicable, the Company shall use reasonable efforts to complete as quickly as possible the requirements of Section 42A of the Bermuda Companies Act 1981, as amended (the "***Bermuda Act***"), and a certificate or certificates for the Warrant Shares so purchased, registered in the name of the Holder or persons affiliated with the Holder, if the Holder so designates (and subject to securities law limitations as to any such Affiliate and the transfer restrictions contained in the Company's Bye-laws), shall be issued and delivered to the Holder or the Holder's designee, as the case may be, within five (5) Business Days after the rights represented by this Warrant shall have been so exercised. In the event that this Warrant is being exercised for less than all of the then current number of Warrant Shares purchasable hereunder, the Company shall, concurrently with the issuance by the Company of the number of Warrant Shares for which this Warrant is then being exercised, issue a new Warrant to the Holder, which shall be identical hereto, except that the number of remaining Warrant Shares covered thereby shall be adjusted accordingly, and exercisable for the remaining number of Warrant Shares purchasable hereunder.

The person in whose name any certificate or certificates for Warrant Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the latest of (i) the date the Company receives the executed Notice of Exercise, payment of the Exercise Price, if any, and this Warrant; (ii) if applicable, the date the Company has complied with the requirements of Section 42A of the Bermuda Act; and (iii) the date on which the Holder's or designee's name is entered in the Register of Members of the Company, irrespective of the date of delivery of such certificate or certificates.

3. COVENANTS OF THE COMPANY.

3.1 Covenants as to Warrant Shares. The Company covenants and agrees that all Warrant Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times hereunder have authorized and reserved, free from preemptive rights, a sufficient number of its Common Shares to provide for the exercise of the rights represented by this Warrant. If the number of authorized but unissued Common Shares shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purposes.

3.2 Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is comparable to cash dividends paid in previous quarters) or other distribution, the Company shall mail to the Holder, at least ten (10) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

4. REPRESENTATIONS AND COVENANTS OF HOLDER.

4.1 Acquisition of Warrant for Own Account. The Holder represents and warrants that it is acquiring the Warrant and the Warrant Shares solely for its account for investment and not with a view to or for sale or distribution of said Warrant or Warrant Shares or any part thereof. The Holder also represents that the entire legal and beneficial interests of the Warrant and Warrant Shares the Holder is acquiring is being acquired for, and will be held for, its account only.

4.2 Securities Are Not Registered.

(a) The Holder understands that the Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), on the basis that no distribution or public offering of the shares of the Company is to be effected. The Holder realizes that the basis for the exemption may not be present if, notwithstanding its representations, the Holder has a present intention of acquiring the securities for a fixed or determinable period in the future, selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the securities. The Holder has no such present intention.

(b) The Holder recognizes that the Warrant and the Warrant Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. The Holder recognizes that the Company has no obligation to register the Warrant, or to comply with any exemption from such registration.

(c) The Holder is aware that neither the Warrant nor the Warrant Shares may be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale following the required holding period under Rule 144 and the number of shares being sold during any three month period not exceeding specified limitations. Holder is aware that the conditions for resale set forth in Rule 144 have not been satisfied and that there can be no assurance that the Company will satisfy these conditions in the foreseeable future.

4.3 Legended Shares.

The Holder understands and agrees that all certificates evidencing the Common Shares to be issued in connection with the exercise of this Warrant will bear legends substantially in the form set forth below:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED (EXCEPT TO THE COMPANY OR A SUBSIDIARY THEREOF) UNLESS (I) (A) THERE IS IN EFFECT A REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE SECURITIES ACT, OR (B) A WRITTEN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED IS PROVIDED TO THE COMPANY, AND (II) THE TRANSFEREE, IF APPLICABLE, HAS OBTAINED THE CONSENT OF THE BERMUDA MONETARY AUTHORITY.

IN ADDITION, ANY SALE, OFFER FOR SALE, PLEDGE OR HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY, AND THE RIGHTS ATTACHING TO THESE SECURITIES ARE SUBJECT TO, THE TERMS AND CONDITIONS CONTAINED IN THE WARRANT ISSUED ON JUNE 7, 2007 BY THE COMPANY TO BARRY D. ZYSKIND (THE "ZYSKIND WARRANT") AND IN THE BYE-LAWS OF THE COMPANY, AS THEY MAY BE AMENDED FROM TIME TO TIME, WHICH ARE AVAILABLE FOR EXAMINATION BY HOLDERS OF SECURITIES AT THE REGISTERED OFFICE OF THE COMPANY.

UNDER THE TERMS OF THE ZYSKIND WARRANT, THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED PRIOR TO JUNE 7, 2010.

4.4 Accredited Investor Status. The Holder is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

4.5 Transfer Restriction. The Holder hereby acknowledges, covenants and agrees that the Warrant Shares may not be sold, offered for sale, hypothecated, assigned or otherwise transferred, directly or indirectly, prior to June 7, 2010.

4.6 Reservation of Shares. The Company covenants and agrees that the Company will, at all times during the Exercise Period, have authorized and reserved, free from preemptive rights, a sufficient number of Common Shares to provide for the exercise of the rights represented by the Warrant. The Company further covenants and agrees to take all such actions as may be necessary to ensure that all Common Shares delivered upon exercise of this Warrant will be duly and validly authorized and issued and fully paid and nonassessable and free from preemptive rights with respect to the issue thereof.

5. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price in effect and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as provided in this Section 5 and in Section 7 below. In the event of changes in the outstanding Common Shares of the Company by reason of share dividends, splits, recapitalizations, reclassifications, combinations or exchanges of shares, reorganizations, liquidations, or the like, the number and class of Exercise Shares available under the Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class, and kind of shares as the Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercise Shares subject to this Warrant.

6. FRACTIONAL SHARES. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of an Exercise Share by such fraction.

7. REORGANIZATION. In the event of, at any time during the Exercise Period, any capital reorganization, or any reclassification of the capital shares of the Company (other than a change in par value or as a result of a share dividend or subdivision, split-up or combination of shares), or the consolidation, amalgamation or merger of the Company with or into another corporation, or the sale or other disposition of all or substantially all the properties and assets of the Company in its entirety to any other person (an "***Organic Change***"), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Common Shares of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such shares, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding Common Shares equal to the number of shares immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby.

8. NO SHAREHOLDER RIGHTS. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

9. REGISTRATION RIGHTS. The Company shall afford the Holder certain registration rights with respect to the Warrant Shares in accordance with the terms and subject to the conditions of that certain Registration Rights Agreement between the Company and Barry D. Zyskind, George Karfunkel and Michael Karfunkel to be entered into in connection with the Company's proposed private placement of Common Shares contemplated by the preliminary offering memorandum dated June 7, 2007.

10. TRANSFER OF WARRANT. Neither this Warrant nor any of the rights or interests of the Holder hereunder are transferable or assignable, except by operation of law, without the prior written consent of the Company. Subject to the foregoing and Section 4 above, this warrant and the rights and interests of the Holder hereunder may be transferred as to all or any part of the Common Shares issuable upon exercise hereof, provided that the Holder and the transferee shall deliver to the Company a properly completed and executed Assignment Form in the form attached to this Warrant.

11. LOST, STOLEN, MUTILATED OR DESTROYED WARRANT. Upon receipt of evidence satisfactory to the Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant and of indemnity (other than in connection with any mutilated Warrant surrendered to the Company for cancellation) reasonably satisfactory to the Company, upon reimbursement of the Company's reasonable direct expenses, and upon such other terms as the Company may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), the Company shall issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

12. NOTICES, ETC. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address listed on the signature page and to the Holder at AmTrust Financial Services, 59 Maiden Lane, 6th Floor, New York, New York 10038, or at such other address as the Company or Holder may designate by ten (10) days advance written notice to the other parties hereto.

13. **ACCEPTANCE.** Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

14. **GOVERNING LAW.** This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed under the laws of the State of New York, without giving effect to conflicts of laws principles.

15. **SEVERABILITY.** In the event that any provision or any part of any provision of this Warrant shall be void or unenforceable for any reason whatsoever, then such provision shall be stricken and of no force and effect. However, unless such stricken provision goes to the essence of the consideration bargained for by a party, the remaining provisions of this Warrant shall continue in full force and effect, and to the extent required, shall be modified to preserve their validity.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of June 7, 2007.

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Secretary

Address: 7 Reid Street
Hamilton HM 12 Bermuda
Attn: Bentzion S. Turin
Facsimile: (441) 292-5796

NOTICE OF EXERCISE

To: Maiden Holdings, Ltd.

(1) The undersigned hereby elects to purchase ___ Common Shares of **Maiden Holdings, Ltd.** (the "***Company***") pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said Common Shares in the name of the undersigned.

(3) The undersigned represents that (i) the aforesaid Common Shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares; (ii) the undersigned is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision regarding its investment in the Company; (iii) the undersigned is experienced in making investments of this type and has such knowledge and background in financial and business matters that the undersigned is capable of evaluating the merits and risks of this investment and protecting the undersigned's own interests; (iv) the undersigned understands that the Common Shares issuable upon exercise of this Warrant have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (v) the undersigned is aware that the aforesaid Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held the shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (vi) the undersigned agrees not to make any disposition of all or any part of the aforesaid Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

(Date) (Signature)

(Print name)

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

with respect to _____ shares of Common Stock.

Dated: _____, 20__

Holder's
Signature: _____

Holder's
Address: _____

NOTE: The signature of the Holder on this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

The undersigned represents that (i) the aforesaid Warrant and the Common Shares issuable upon exercise thereof are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such Warrant or Common Shares; (ii) the undersigned understands that such Warrant and Common Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, which exemption depends upon, among other things, the bona fide nature of the investment intent as expressed herein, and, because such securities have not been registered under the Securities Act, they must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available; (iii) the undersigned is aware that the aforesaid Warrant and Common Shares may not be sold pursuant to Rule 144 adopted under the Securities Act unless certain conditions are met and until the undersigned has held such Warrant or Common Shares for the number of years prescribed by Rule 144, that among the conditions for use of Rule 144 is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so; and (iv) the undersigned agrees not to make any disposition of all or any part of the aforesaid Warrant or Common Shares unless and until there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with said registration statement, or the undersigned has provided the Company with an opinion of counsel satisfactory to the Company, stating that such registration is not required.

Holder's
Signature: _____

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of July 3, 2007, by and between Maiden Holdings, Ltd., a Bermuda company limited by shares (together with any successor entity thereto, the "Company"), and Friedman, Billings, Ramsey & Co., Inc., a Delaware corporation ("FBR"), for the benefit of FBR, the purchasers of the Company's common stock, par value $0.01 per share, as participants ("Participants") in the private placement by the Company of shares of its common stock (the "Private Placement"), and the direct and indirect transferees of FBR, and each of the Participants.

This Agreement is made pursuant to the Purchase/Placement Agreement (the "Purchase/Placement Agreement"), dated as of June 26, 2007, by and among the Company and FBR in connection with the purchase and sale or placement of an aggregate of 45,000,000 shares of the Company's common stock (plus an additional 6,750,000 shares to cover additional allotments, if any). In order to induce FBR to enter into the Purchase/Placement Agreement, the Company has agreed to provide the registration rights provided for in this Agreement to FBR, the Participants, and their respective direct and indirect transferees. The execution of this Agreement is a condition to the closing of the transactions contemplated by the Purchase/Placement Agreement.

The parties hereby agree as follows:

1. ***Definitions***

As used in this Agreement, the following terms shall have the following meanings:

Accredited Investor Shares: Shares initially sold by the Company to "accredited investors" (within the meaning of Rule 501(a) promulgated under the Securities Act) as Participants.

Agreement: As defined in the preamble.

Affiliate: As to any specified Person, (i) any Person directly or indirectly owning, controlling or holding, with power to vote, ten percent or more of the outstanding voting securities of such other Person, (ii) any Person ten percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held, with power to vote, by such other Person, (iii) any Person directly or indirectly controlling, controlled by or under common control with such other Person, (iv) any executive officer, director, trustee or general partner of such Person and (v) any legal entity for which such Person acts as an executive officer, director, trustee or general partner. An indirect relationship shall include circumstances in which a Person's spouse, children, parents, siblings or mother-, father-, sister- or brother-in-law is or has been associated with a Person.

Business Day: With respect to any act to be performed hereunder, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York or other applicable places where such act is to occur are authorized or obligated by applicable law, regulation or executive order to close.

Closing Date: July 3, 2007 or such other time or such other date as FBR and the Company may agree.

Commission: The Securities and Exchange Commission.

Common Stock: The common stock, par value $0.01 per share, of the Company.

Company: As defined in the preamble.

Controlling Person: As defined in Section 6(a) hereof.

End of Suspension Notice: As defined in Section 5(b) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

FBR: As defined in the preamble.

Holder: Each record owner of any Registrable Shares from time to time, including FBR and its Affiliates.

Indemnified Party: As defined in Section 6(c) hereof.

Indemnifying Party: As defined in Section 6(c) hereof.

Inside Holders: Michael Karfunkel, George Karfunkel and Barry D. Zyskind and any transferees of shares of Common Stock therefrom.

IPO Registration Statement: As defined in Section 2(b) hereof.

Liabilities: As defined in Section 6(a) hereof.

Market Value: With respect to the Common Stock for any 180-day period contemplated by Section 2(e)(ii) shall mean (i) if the Common Stock is then listed on a national securities exchange, the average of the closing sale prices on the principal exchange on which the Common Stock is then listed for the days in which sales occurred in the last thirty (30) days of such 180-day period or (ii) if the Common Stock is not then listed on a stock exchange but is eligible for resale on The Portal Market, the average of the closing sale prices for days on which trading is reporting on The Portal Market in the last thirty (30) days of such 180-day period.

NASD: The National Association of Securities Dealers, Inc.

No Objections Letter: As defined in Section 4(t) hereof.

Offering Memorandum: The Offering Memorandum of the Company dated June 26, 2007 pursuant to which the Rule 144A Shares, the Regulation S Shares and the Accredited Investor Shares are offered and sold.

Participant: As defined in the preamble.

Person: Any individual, partnership, corporation, limited liability company, joint stock company, association, trust, unincorporated organization, or a government agency or political subdivision thereof.

Private Placement: As defined in the preamble.

Proceeding: An action, claim, suit or proceeding (including without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or, to the knowledge of the Person subject thereto, threatened.

Prospectus: The prospectus included in any Registration Statement, including any preliminary prospectus, and all other amendments and supplements to any such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such prospectus.

Purchase/Placement Agreement: As defined in the preamble.

Purchaser Indemnitee: As defined in Section 6(a) hereof.

Registrable Shares: The Rule 144A Shares, the Accredited Investor Shares and the Regulation S Shares, upon original issuance thereof, and at all times subsequent thereto, including upon the transfer thereof by the original holder or any subsequent holder and any shares or other securities issued in respect of such Registrable Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Shares or any combination of shares, recapitalization, merger or consolidation, any other equity securities issued in respect of Registrable Shares pursuant to any other pro rata distribution with respect to the Common Stock or any issuance of shares pursuant to Section 2(e)(ii), until, in the case of any such Rule 144A Share, Accredited Investor Share or Regulation S Share, the earliest to occur of (i) the date on which it has been registered effectively pursuant to the Securities Act and disposed of in accordance with the Registration Statement relating to it, (ii) the date on which either it is distributed to the public pursuant to Rule 144 (or any similar provision then in effect) or is saleable pursuant to Rule 144(k) promulgated by the Commission pursuant to the Securities Act or (iii) the date on which it is sold to the Company.

Registration Expenses: Any and all expenses incident to the performance of or compliance with this Agreement, including, without limitation: (i) all Commission, securities exchange, NASD registration, listing, inclusion and filing fees, (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Shares and the preparation of a blue sky memorandum and compliance with the rules of the NASD), (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing or inclusion of any of the Registrable Shares on any securities exchange or The Nasdaq Stock Market pursuant to Section 4(n) of this Agreement, (v) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) reasonable fees and disbursements (not exceeding $35,000) of one counsel (which counsel shall be Sidley Austin LLP, unless another such counsel shall have been selected by the Holders holding a majority of the Registrable Shares) (such counsel, "Selling Holders' Counsel") and (vii) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); *provided*, *however*, that Registration Expenses shall exclude (i) brokers' or underwriters' discounts and commissions, if any, relating to the sale or disposition of Registrable Shares by a Holder and (ii) any fees and expenses incurred by any underwriter, other than such fees and expenses (x) agreed to be paid under this Agreement or (y) that the Company shall have agreed in writing with such underwriter to pay.

Registration Statement: Any registration statement of the Company that covers the resale of Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

Regulation S: Regulation S (Rules 901-905) promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "non-U.S. persons" (in accordance with Regulation S) in an "offshore transaction" (in accordance with Regulation S).

Rule 144: Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A: Rule 144A promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "qualified institutional buyers" (as such term is defined in Rule 144A).

Rule 158: Rule 158 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 174: Rule 174 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 415: Rule 415 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 424: Rule 424 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 429: Rule 429 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Shares: The shares of Common Stock being offered and sold pursuant to the terms and conditions of the Purchase/Placement Agreement

Shelf Registration Statement: As defined in Section 2(a) hereof.

Suspension Event: As defined in Section 5(b) hereof.

Suspension Notice: As defined in Section 5(b) hereof.

Underwritten Offering: A sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

2. ***Registration Rights***

(a) *Mandatory Shelf Registration.* As set forth in Section 4 hereof, the Company agrees to file with the Commission as soon as reasonably practicable following the date of this Agreement (but in no event later than the date that is 90 days after the date of this Agreement) a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to the Company providing for the resale of any Registrable Shares pursuant to Rule 415 from time to time by the Holders (a "Shelf Registration Statement"). The Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable. Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available (including, without limitation, an Underwritten Offering, a direct sale to purchasers or a sale through brokers or agents, which may include sales over the internet) by the Holders of any and all Registrable Shares.

(b) *IPO Registration.* If the Company proposes to file a registration statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of shares of Common Stock (the "IPO Registration Statement"), the Company will notify each Holder of the proposed filing and afford each Holder an opportunity to include in the IPO Registration Statement all or any part of the Registrable Shares then held by such Holder. Each Holder desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Holder shall, within twenty (20) days after mailing or delivery of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Shares such Holder wishes to include in the IPO Registration Statement. Any election by any Holder to include any Registrable Shares in the IPO Registration Statement will not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement.

(i) *Right to Terminate IPO Registration*. The Company shall have the right to terminate or withdraw the IPO Registration Statement initiated by it referred to in this Section 2(b) prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Shares in such registration.

(ii) *Selection of Underwriter*. The Company shall have the sole right to select the managing underwriter(s) for its initial public offering, regardless of whether any Registrable Securities are included in the IPO Registration Statement or otherwise.

(iii) *Shelf Registration not Impacted by IPO Registration Statement.* The Company's obligation to file the Shelf Registration Statement pursuant to Section 2(a) hereof shall not be affected by the filing or effectiveness of the IPO Registration Statement.

(c) *Underwriting*. The Company shall advise all Holders of the underwriter for the Underwritten Offering proposed under the IPO Registration Statement. The right of any such Holder to include any of its Registrable Shares in the IPO Registration Statement pursuant to Section 2(b) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Shares in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, securities escrow agreements and other documents reasonably required under the terms of such underwriting, and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement; *provided*, *however*, that no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution and any other representation required by law or reasonably requested by the underwriters. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation on the number of shares to be included, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and Underwritten Offering, and any shares included in such IPO Registration Statement and Underwritten Offering shall be allocated first, to the Company, and second, to each of the Holders requesting inclusion of their Registrable Shares in such IPO Registration Statement (on a *pro rata* basis based on the total number of Registrable Shares then held by each such Holder who is requesting inclusion); *provided*, *however*, that the number of Registrable Shares to be included in the IPO Registration Statement shall not be reduced unless all other securities of the Company held by (i) officers, directors, other employees of the Company and consultants; and (ii) other holders of the Company's capital stock with registration rights that are inferior (with respect to such reduction) to the registration rights of the Holders set forth herein, are first entirely excluded from the underwriting and registration; *provided*, *further*, *however*, that Holders of Registrable Shares shall be permitted to include Registrable Shares comprising at least 20% of the total securities included in the Underwritten Offering proposed under the IPO Registration Statement.

By electing to include the Registrable Shares in the IPO Registration Statement, the Holder of such Registrable Shares shall be deemed to have agreed not to effect any public sale or distribution of securities of the Company of the same or similar class or classes of the securities included in the IPO Registration Statement or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during such periods as reasonably requested (but in no event for a period longer than thirty (30) days prior to and one hundred eighty (180) days following the effective date of the IPO Registration Statement) by the representatives of the underwriters, if an Underwritten Offering, or by the Company in any other registration. If (i) during the last 17 days of the restricted period described above the Company issues an earnings release or material news or a material event relating to the Company occurs; or (ii) prior to the expiration of such restricted period, the Company announces that it will release earnings results during the 16 day period beginning on the last day of the restricted period; the restrictions imposed by this agreement shall continue to apply until the expiration of the 18 day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) Business Days prior to the effective date of the IPO Registration Statement. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(d) *Expenses*. The Company shall pay all Registration Expenses in connection with the registration of the Registrable Shares pursuant to this Agreement. Each Holder participating in a registration pursuant to this Section 2 shall bear such Holder's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers in connection with a registration of Registrable Shares pursuant to this Agreement.

(e) *Executive Bonuses*. (i) If the Company does not file a Registration Statement registering the resale of the Accredited Investor Shares, the Rule 144A Shares, and the Regulation S Shares within ninety (90) days after the Closing Date, other than as a result of the Commission being unable to accept such filings, each of Max G. Caviet and Ben Turin shall forfeit any bonus that would otherwise be payable to him in the 2007 fiscal year (or to which he or she became entitled as a result of performance during the 2007 fiscal year), whether under an employment agreement with the Company, a bonus plan or any other bonus arrangement, including any bonus compensation for which payment would otherwise be deferred until after 2007.

(ii) If the Company does not file a Registration Statement registering the resale of the Accredited Investor Shares, the Rule 144A Shares, and the Regulation S Shares within two hundred forty (240) days after the Closing Date, it shall pay not later than two hundred forty-five (245) days after the Closing Date to the Holders (other than the Inside Holders) an aggregate of six million dollars ($6,000,000) in cash (such amounts to be paid to them pro rata, based on the respective number of Registrable Shares then held by such Holders). If the Company has not filed a Registration Statement registering the resale of the Accredited Investor Shares, the Rule 144A Shares, and the Regulation S Shares by the end of any rolling 180-day period commencing after such 240-day period (*e.g.*, if at the end of 420 days or 600 days after the Closing Date or the end of any such subsequent period), the Company will make an additional payment not later than five days after the end of each such 180-day period to the Holders (other than the Inside Shareholders) of an aggregate of six million dollars ($6,000,000) in cash (or to the extent provided below, at the Company’s option in Common Stock), such payment to be made pro rata, based on the respective number of Registrable Shares held by such Holders. If the Company elects to make any such additional payment in Common Stock, such stock will be valued at its Market Value as of the end of such 180-day period; *provided*, that the Company shall not have the option to elect to an additional payment in Common Stock rather than cash if there has not been at least five (5) days of trading in the Common Stock on a stock exchange or the Portal Market during at least five (5) days during the last thirty (30) days of such 180-day period. The parties acknowledge that damages from a failure to file a Registration Statement are difficult to measure and that the payments provided for in this Section 2(e)(ii) are reasonable liquidated damages and not a penalty.

3. Rules 144 and 144A Reporting

With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required to be filed by the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) so long as a Holder owns any Registrable Shares, if the Company is not required to file reports and other documents under the Securities Act and the Exchange Act, it will make available other information as required by, and so long as necessary to permit sales of Registrable Shares pursuant to, Rule 144 or Rule 144A, and in any event shall make available (either by mailing a copy thereof, by posting on the Company's website, or by press release) to each Holder a copy of:

(i) the Company's annual consolidated financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in accordance with U.S. generally accepted accounting principles, accompanied by an audit report of the Company's independent accountants, no later than ninety (90) days after the end of each fiscal year of the Company; and

(ii) the Company's unaudited quarterly financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in a manner consistent with the preparation of the Company's annual financial statements, no later than forty-five (45) days after the end of each fiscal quarter of the Company (other than the fourth fiscal quarter); and

the Company shall hold, a reasonable time after the availability of such financial statements and upon reasonable notice to the Holders and FBR (either by mail, by posting on the Company's website, or by press release), a quarterly investor conference call to discuss such financial statements, which call will also include an opportunity for the Holders to ask questions of management with regard to such financial statements, and will also cooperate with, and make management reasonably available to, FBR personnel in connection with making Company information available to investors; and

(d) so long as a Holder owns any Registrable Shares, to furnish to the Holder promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to the reporting requirements of the Exchange Act), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company, and take such further actions, as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such Registrable Shares without registration.

4. ***Registration Procedures***

In connection with the obligations of the Company with respect to any registration pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Registrable Shares under the Securities Act to permit the sale of such Registrable Shares by the Holder or Holders in accordance with the Holder's or Holders' intended method or methods of distribution, and the Company shall:

(a) notify FBR and Selling Holders' Counsel, in writing, at least ten (10) Business Days prior to filing a Registration Statement, of its intention to file a Registration Statement with the Commission and, at least five (5) Business Days prior to filing, provide a copy of the Registration Statement to FBR, its counsel, and Selling Holders' Counsel for review and comment; prepare and file with the Commission, as specified in this Agreement, a Registration Statement(s), which Registration Statement(s) (x) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith and (y) shall be acceptable to FBR, its counsel and Selling Holders' Counsel; notify FBR and Selling Holders' Counsel in writing, at least five (5) Business Days prior to filing of any amendment or supplement to such Registration Statement and, at least three (3) Business Days prior to filing, provide a copy of such amendment or supplement to FBR, its counsel and Selling Holders' Counsel for review and comment; promptly following receipt from the Commission, provide to FBR, its counsel and Selling Holders' Counsel copies of any comments made by the staff of the Commission relating to such Registration Statement and of the Company's responses thereto for review and comment; and use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing and to remain effective, subject to Section 5 hereof, until the earlier of (i) such time as all Registrable Shares covered thereby have been sold in accordance with the intended distribution of such Registrable Shares, (ii) there are no Registrable Shares outstanding or (iii) the second anniversary of the effective date of such Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided*, *however*, that the Company shall not be required to cause the IPO Registration Statement to remain effective for any period longer than ninety (90) days following the effective date of the IPO Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided*, *further*, that if the Company has an effective Shelf Registration Statement on Form S-1 under the Securities Act and becomes eligible to use Form S-3 or such other short-form registration statement form under the Securities Act, the Company may file a post-effective amendment on Form S-3 to such registration statement on Form S-1;

(b) subject to Section 4(i) hereof, (i) prepare and file with the Commission such amendments and post-effective amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period described in Section 4(a) hereof; (ii) cause each Prospectus contained therein to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 or any similar rule that may be adopted under the Securities Act; and (iii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) furnish to the Holders, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Shares; the Company consents to the use of such Prospectus, including each preliminary Prospectus, by the Holders, if any, in connection with the offering and sale of the Registrable Shares covered by any such Prospectus;

(d) use its commercially reasonable efforts to register or qualify, or obtain exemption from registration or qualification for, all Registrable Shares by the time the applicable Registration Statement is declared effective by the Commission under all applicable state securities or "blue sky" laws of such jurisdictions as FBR or any Holder of Registrable Shares covered by a Registration Statement shall reasonably request in writing, keep each such registration or qualification or exemption effective during the period such Registration Statement is required to be kept effective pursuant to Section 4(a) and do any and all other acts and things that may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Shares owned by such Holder; *provided*, *however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 4(d) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Shares; *provided*, *however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in any jurisdiction where it would not otherwise be required to qualify but for this Section 4(e) and except as may be required by the Securities Act, (ii) subject itself to taxation in any jurisdiction, or (iii) submit to the general service of process in any jurisdiction;

(f) notify FBR and each Holder promptly and, if requested by FBR or any Holder, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iii) of any request by the Commission or any other federal, state or foreign governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iv) of the happening of any event during the period a Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) and (v) at the request of any such Holder, promptly to furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchaser of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(g) make every reasonable effort to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending of the qualification (or exemption from qualification) of any of the Registrable Shares for sale in any jurisdiction, as promptly as practicable;

(h) upon request, furnish to each requesting Holder of Registrable Shares, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment or supplement thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(i) except as provided in Section 5, upon the occurrence of any event contemplated by Section 4(f)(iv) hereof, use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) if requested by the representative of the underwriters, if any, or any Holders of Registrable Shares being sold in connection with such offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information as the representative of the underwriters, if any, or such Holders indicate relates to them or that they reasonably request be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(k) in the case of an Underwritten Offering, use its commercially reasonable efforts to furnish to the underwriters a signed counterpart, addressed to the underwriters, of: (i) an opinion of counsel for the Company, dated the date of each closing under the underwriting agreement, reasonably satisfactory to the underwriters; and (ii) a “comfort” letter, dated the effective date of such Registration Statement and the date of each closing under the underwriting agreement, signed by the independent public accountants who have certified the Company's financial statements included in such Registration Statement, covering substantially the same matters with respect to such Registration Statement (and the Prospectus included therein) and with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other financial matters as the underwriters may reasonably request;

(l) enter into customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form) and take all other action in connection therewith in order to expedite or facilitate the distribution of the Registrable Shares included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the Holders covered by such Registration Statement and to the underwriters in such form and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(m) make available for inspection by the representative of any underwriters participating in any disposition pursuant to a Registration Statement and any one special counsel retained by the Holders or any one special counsel or firm of accountants retained by the underwriters, all financial and other records, pertinent corporate documents and properties of the Company and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by the representative of the underwriters, counsel or accountants in connection with a Registration Statement; *provided, however,* that such records, documents or information that the Company determines, in good faith, to be confidential and notifies such representative of the underwriters, counsel or accountants are confidential shall not be disclosed by such representative of the underwriters, counsel or accountants unless (i) the release of such records, documents or information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (ii) such records, documents or information have been generally made available to the public;

(n) use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to list or include all Registrable Shares on the New York Stock Exchange or The Nasdaq Stock Market;

(o) prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 15(d) of the Exchange Act expires prior to the expiration of the effectiveness period of the Registration Statement as required by Section 4(a) hereof, the Company shall register the Registrable Shares under the Exchange Act and shall maintain such registration through the effectiveness period required by Section 4(a) hereof;

(p) provide a CUSIP number for all Registrable Shares, not later than the effective date of the Registration Statement;

(q) (i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, (ii) make generally available to its stockholders, as soon as reasonably practicable, an earning statement covering at least 12 months that satisfy the provisions of Section 11(a) of the Securities Act and (at the Company’s option) Rule 158 (or any similar rule promulgated under the Securities Act) thereunder, but in no event later than forty five (45) days after the end of the fourth full fiscal quarter ending after the fiscal quarter in which any registration statement is declared effective;

(r) provide and cause to be maintained a registrar and transfer agent for all Registrable Shares covered by any Registration Statement from and after a date not later than the effective date of such Registration Statement;

(s) in connection with any sale or transfer of the Registrable Shares (whether or not pursuant to a Registration Statement) that will result in the security being delivered no longer being Registrable Shares, cooperate with the Holders and the representative of the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold, which certificates shall not bear any transfer restrictive legends (other than as required by the Company's Charter) and to enable such Registrable Shares to be in such denominations and registered in such names as the representative of the underwriters, if any, or the Holders may request at least two (2) Business Days prior to any sale of the Registrable Shares;

(t) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, prepare and, within one Business Day of such filing with the Commission, provide information to the Holders, any underwriter or their counsel as such Holders, such underwriter or their counsel may reasonably request in order to assist such Holders or such underwriter to file with the NASD all forms and information required or requested by the NASD in order to obtain written confirmation from the NASD that the NASD does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) (each such written confirmation, a "No Objections Letter") relating to the resale of Registrable Shares pursuant to the Shelf Registration Statement, including, without limitation, information provided to the NASD through its COBRADesk system, and pay all costs, fees and expenses incident to the NASD's review of the Shelf Registration Statement and the related underwriting terms and arrangements, including, without limitation, all filing fees associated with any filings or submissions to the NASD and the legal expenses, filing fees and other disbursements of FBR and any other NASD member that is the holder of, or is affiliated or associated with an owner of, Registrable Shares included in the Shelf Registration Statement (including in connection with any initial or subsequent member filing);

(u) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, provide to FBR and its representatives the opportunity to conduct due diligence, including, without limitation, an inquiry of the Company's financial and other records, and make available members of its management for questions regarding information which FBR may request in order to fulfill any due diligence obligation on its part; and

(w) upon effectiveness of the first Registration Statement filed under this Agreement, the Company will take such actions and make such filings as are necessary to effect the registration of the Common Stock under the Exchange Act simultaneously with or immediately following the effectiveness of the Registration Statement.

The Company may require the Holders to furnish to the Company such information regarding the proposed distribution by such Holder of such Registrable Shares as the Company may from time to time reasonably request in writing or as shall be required to effect the registration of the Registrable Shares, and no Holder shall be entitled to be named as a selling stockholder in any Registration Statement and no Holder shall be entitled to use the Prospectus forming a part thereof if such Holder does not provide such information to the Company. Each Holder further agrees to furnish promptly to the Company in writing all information required from time to time to make the information previously furnished by such Holder not misleading.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f)(iii) or 4(f)(iv) hereof, such Holder will immediately discontinue disposition of Registrable Shares pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus. If so directed by the Company, such Holder will deliver to the Company (at the expense of the Company) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

5. ***Black-Out Period***

(a) Subject to the provisions of this Section 5 and a good faith determination by a majority of the independent members of the Board of Directors of the Company that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any international, federal or state securities commissions), the Company, by written notice to FBR and the Holders, may direct the Holders to suspend sales of the Registrable Shares pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than an aggregate of ninety (90) days in any rolling twelve (12)-month period commencing on the Closing Date or more than sixty (60) days in any rolling 90-day period), if any of the following events shall occur: (i) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Shares pursuant to the Registration Statement would have a material adverse effect on the Company's primary offering; (ii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that (A) the offer or sale of any Registrable Shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, corporate reorganization or other significant transaction involving the Company, (B) after the advice of counsel, the sale of Registrable Shares pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of such transaction, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) the proposed transaction renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis, as applicable; or (iii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith, after the advice of counsel, that it is required by law, rule or regulation or that it is in the best interests of the Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (1) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most-recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (3) including in the prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use all reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Holders to resume sales of the Registrable Shares as soon as possible.

(b) In the case of an event that causes the Company to suspend the use of a Registration Statement (a "Suspension Event"), the Company shall give written notice (a "Suspension Notice") to FBR and the Holders to suspend sales of the Registrable Shares and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing and the Company is using all reasonable efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. The Holders shall not effect any sales of the Registrable Shares pursuant to such Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies other than permanent file copies then in such Holder's possession of the Prospectus covering the Registrable Shares at the time of receipt of the Suspension Notice. The Holders may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement (or such filings) following further notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and FBR in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(c) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 5, the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice and copies of the supplemented or amended Prospectus necessary to resume sales.

6. ***Indemnification and Contribution***

(a) The Company agrees to indemnify and hold harmless (i) each Holder of Registrable Shares and any underwriter (as determined in the Securities Act) for such Holder (including, if applicable, FBR), (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act), any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a "Controlling Person"), and (iii) the respective officers, directors, partners, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as a "Purchaser Indemnitee"), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the "Liabilities"), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, directly or indirectly related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (as amended or supplemented if the Company shall have furnished to such Purchaser Indemnitee any amendments or supplements thereto), or any preliminary Prospectus or any other document used to sell the Shares, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon (i) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company or any underwriter in writing by such Purchaser Indemnitee expressly for use therein, or (ii) any untrue statement contained in or omission from a preliminary Prospectus if a copy of the Prospectus (as then amended or supplemented, if the Company shall have furnished to or on behalf of the Holder participating in the distribution relating to the relevant Registration Statement any amendments or supplements thereto) was not sent or given by or on behalf of such Holder to the Person asserting any such Liabilities who purchased Shares, if such Prospectus (or Prospectus as amended or supplemented) is required by law to be sent or given at or prior to the written confirmation of the sale of such Shares to such Person and the untrue statement contained in or omission from such preliminary Prospectus was corrected in the Prospectus (or the Prospectus as amended or supplemented). The Company shall notify the Holders promptly of the institution, written threat or written assertion of any claim, proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement which involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) In connection with any Registration Statement in which a Holder of Registrable Shares is participating, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and the respective partners, directors, officers, members, representatives, employees and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in conformity with information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement or Prospectus, any amendment or supplement thereto or any preliminary Prospectus. The liability of any Holder pursuant to this paragraph shall in no event exceed the net proceeds received by such Holder from sales of Registrable Shares giving rise to such obligations.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the "Indemnified Party"), shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party"), in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 6, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such proceeding and shall pay the reasonable fees and expenses actually incurred by such counsel related to such proceeding. Notwithstanding the foregoing, in any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, (iii) the Indemnifying Party and its counsel do not actively pursue the defense of such action or (iv) the named parties to any such action (including any impleaded parties), include both such Indemnified Party and the Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel), for all such Indemnified Parties, which firm shall be designated in writing by those Indemnified Parties who sold a majority of the Registrable Shares sold by all such Indemnified Parties and any such separate firm for the Company, the directors, the officers and such control Persons of the Company as shall be designated in writing by the Company). The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any Liability of a character for which such Indemnified Party would be liable under paragraph (a) or (b), as applicable, of this Section 6 by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraphs (a) and (b) of this Section 6 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and any Purchaser Indemnitees on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Purchaser Indemnitees (or the related Holder) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by *pro rata* allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph 6(d) above. Notwithstanding the provisions of this Section 6, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which proceeds received by such Purchaser Indemnitee from sales of Registrable Shares exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 6, each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) FBR or a Holder of Registrable Shares shall have the same rights to contribution as FBR or such Holder, as the case may be, and each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act), shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 6 will be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Purchaser Indemnitees' obligations to contribute pursuant to this Section 6 are several in proportion to the respective number of Shares sold by each of the Purchaser Indemnitees hereunder and not joint.

7. ***Market Stand-off Agreement***

Each Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, directly or indirectly sell, offer to sell (including without limitation any short sale), grant any option or otherwise transfer or dispose of any Registrable Shares or other shares of Common Stock of the Company or any securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company then owned by such Holder (other than to donees or partners of the Holder who agree to be similarly bound) for a period of sixty (60) days following the effective date of an IPO Registration Statement of the Company filed under the Securities Act; *provided*, *however*, that:

(a) the restrictions above shall not apply to Registrable Shares sold pursuant to the IPO Registration Statement;

(b) all executive officers and directors of the Company then holding shares of Common Stock of the Company or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company enter into similar agreements;

(c) the Holders shall be allowed any concession or proportionate release allowed to any officer or director that entered into similar agreements (with such proportion being determined by dividing the number of shares being released with respect to such officer or director by the total number of issued and outstanding shares held by such officer or director); *provided*, that nothing in this Section 7(c) shall be construed as a right to proportionate release for the executive officers and directors of the Company upon the expiration of the 60-day period applicable to all Holders other than the executive officers and directors of the Company;

(d) this Section 7 shall not be applicable if a Shelf Registration Statement of the Company filed under the Securities Act has been declared effective prior to the filing of an IPO Registration Statement.

In order to enforce the foregoing covenants, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Shares and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

8. ***Termination of the Company's Obligation***

The Company shall have no obligation pursuant to this Agreement with respect to any Registrable Shares proposed to be sold by a Holder in a registration pursuant to this Agreement if, in the opinion of counsel to the Company, all such Registrable Shares proposed to be sold by a Holder may be sold in a three-month period without registration under the Securities Act pursuant to Rule 144 under the Securities Act.

9. ***Limitations on Subsequent Registration Rights***

From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders beneficially owning not less than a majority of the then outstanding Registrable Shares (*provided, however*, that for purposes of this Section 9, Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any Registration Statement filed pursuant to the terms hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of his securities will not reduce the amount of Registrable Shares of the Holders that is included, or (b) to have his securities registered on a registration statement that could be declared effective prior to, or within one hundred eighty (180) days of, the effective date of any Registration Statement filed pursuant to this Agreement.

10. ***Miscellaneous***

(a) Remedies. In the event of a breach by the Company of any of its obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein or, in the case of FBR, in the Purchase/Placement Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 6, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Holders beneficially owning not less than a majority of the then outstanding Registrable Shares; *provided, however,* that for purposes of this Section 11(b), (i) Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding and (ii) the provisions of Section 2(e)(ii) may be amended, modified, supplemented or waived with the written consent of the Company and FBR. No amendment shall be deemed effective if by its terms it expressly discriminates against any Holder. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders may be given by such Holder; *provided* that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

(c) Notices. All notices and other communications, provided for or permitted hereunder shall be made in writing by delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram

(i) if to a Holder, at the most current address given by the transfer agent and registrar of the Shares to the Company;

(ii) if to the Company at the offices of the Company at 7 Reid Street, Hamilton, HM 12, Bermuda, Attention: Ben Turin; (facsimile: 441-292-5796) with a copy to: with a copy to LeBoeuf, Lamb, Greene & MacRae LLP, 125 West 55th Street, New York, New York 10019, Attention: Matthew M. Ricciardi (facsimile 212-649-9483); and

(iii) If to FBR, at the offices of FBR at 1001 Nineteenth Street North, Arlington, Virginia 22209, Attention: Compliance Department, (facsimile: 703-312-9698); with a copy to Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attention: John J. Sabl (facsimile: 312-853-7036).

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment or assumption, subsequent Holders. The Company agrees that the Holders shall be third party beneficiaries to the agreements made hereunder by FBR and the Company, and each Holder shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder; *provided*, *however,* that such Holder fulfills all of its obligations hereunder.

(e) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) **Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

(h) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) Entire Agreement. This Agreement, together with the Purchase/Placement Agreement, is intended by the parties hereto as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(j) Registrable Shares Held by the Company or its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Shares is required hereunder, Registrable Shares held by the Company or its Affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) Adjustment for Stock Splits, etc. Wherever in this Agreement there is a reference to a specific number of shares or liquidated damages payable with respect to any Registrable Shares, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares or amount of liquidated damages payable with respect to any Registrable Shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(l) Survival. This Agreement is intended to survive the consummation of the transactions contemplated by the Purchase/Placement Agreement. The indemnification and contribution obligations under Section 6 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(m) Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the prevailing party, as determined by the court, shall be entitled to recover its reasonable attorneys' fees in addition to any other available remedy.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Assistant Secretary

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By: /s/ James R. Kleebatt
Name: James R. Kleebatt
Title: Executive Vice President

Each of the undersigned, Max G. Caviet and Ben Turin, hereby acknowledges and agrees to the provisions of Section 2(e) of the foregoing Registration Rights Agreement.

/s/ Max G. Caviet
Max G. Caviet

/s/ Ben Turin
Ben Turin

EXHIBIT 4.6

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of July 3, 2007 by and between Barry D. Zyskind, George Karfunkel and Michael Karfunkel (each, a "Founding Shareholder" and collectively, the "Founding Shareholders") and MAIDEN HOLDINGS, LTD., a Bermuda company (the "Company").

RECITALS

WHEREAS, each of the Founding Shareholders purchased from the Company 2,600,000 common shares, par value $0.01 per share, of the Company (the "Common Shares"), pursuant to a Subscription Agreement between the Company and each of the Founding Shareholders (the "Subscription Agreements");

WHEREAS, the Company issued to each of the Founding Shareholders warrants to purchase 1,350,000 Common Shares (the "Founding Shareholders Warrants");

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company (i) is consummating the issuance and sale of 50,410,101 Common Shares in a private placement and (ii) in connection with such issuance and sale, is entering into a Registration Rights Agreement with Friedman, Billings, Ramsey & Co., Inc. for the benefit of, among others, the Persons (as defined below) who purchased Common Shares in such private placement (the "Private Placement Registration Rights Agreement"); and

WHEREAS, in consideration of the Founding Shareholders' entry into the Subscription Agreements, the Company has agreed to execute and deliver to the Founding Shareholders this Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. (a) In addition to the terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" of any specified Person means any other Person who directly, or indirectly through one or more intermediaries, is in control of, is controlled by, or is under common control with, such specified Person. For purposes of this definition, control of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract, securities ownership or otherwise; and the terms "controlling" and "controlled" have the respective meanings correlative to the foregoing.

"Agreement" means this Registration Rights Agreement, as the same may be amended, supplemented or modified from time to time in accordance with the terms hereof.

"Blackout Period" has the meaning specified in Section 2(c).

"Closing Date" means July 3, 2007, or such other time or such other date as the Company and the Founding Shareholders may agree.

"Commission" means the Securities and Exchange Commission.

"Covered Shareholder" means (x) each Founding Shareholder, but only in respect of Registrable Securities owned by him and (y) any permitted transferee or assignee of Registrable Securities who agrees to become bound by all of the terms and provisions of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder, or any similar successor statute.

"Free Writing Prospectus" means a free writing prospectus (as such term is defined in Rule 405 under the Securities Act) relating to Registrable Securities.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus (as such term is defined in Rule 433(h) under the Securities Act) relating to Registrable Securities.

"Participating Covered Shareholder" means, with respect to any Registration Statement, each Covered Shareholder whose Registrable Securities are included or are to be included in such Registration Statement.

"Person" means any individual, partnership, corporation, limited liability company, joint stock company, association, trust, unincorporated organization, or a government agency or political subdivision thereof.

"Prospectus" means the prospectus (including any preliminary prospectus and/or any final prospectus filed pursuant to Rule 424(b) under the Securities Act and any prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance on Rule 430A, Rule 430B or Rule 430C under the Securities Act) included in a Registration Statement, as amended or supplemented by any prospectus supplement or any Issuer Free Writing Prospectus (as defined in Rule 433(h) under the Securities Act) with respect to the terms of the offering or any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to such prospectus, including all material incorporated by reference in such prospectus and all documents filed after the date of such prospectus by the Company under the Exchange Act and incorporated by reference therein.

"Public Offering" means an offer registered with the Commission and the appropriate state securities commissions by the Company of its Common Shares and made pursuant to the Securities Act.

"Registrable Securities" means (i) the Common Shares purchased pursuant to the Subscription Agreements, (ii) the Common Shares issuable upon exercise of the Founding Shareholders Warrants, and (iii) any shares or other securities issued in respect of such Registrable Securities by reason of or in connection with any share dividend, share distribution, share split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Securities or any combination of shares, recapitalization, amalgamation, merger or consolidation, any other equity securities issued in respect of Registrable Securities pursuant to any other pro rata distribution with respect to the Common Shares; provided, however, that a Common Share shall cease to be a Registrable Security for purposes of this Agreement when it no longer is a Restricted Security.

"Registration Expenses" means any and all expenses incident to the performance of or compliance with this Agreement, including, without limitation: (i) all Commission, securities exchange, NASD registration, listing, inclusion and filing fees, (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Securities and the preparation of a blue sky memorandum and compliance with the rules of the NASD), (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing or inclusion of any of the Registrable Securities on any securities exchange or The Nasdaq Stock Market pursuant to Section 3(l) of this Agreement, (v) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), and (vi) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); provided, however, that Registration Expenses shall exclude (x) brokers' or underwriters' discounts and commissions, if any, relating to the sale or disposition of Registrable Securities by any Covered Shareholder and (y) any fees and expenses incurred by any underwriter, other than such fees and expenses that the Company shall have agreed in writing with such underwriter to pay.

"Registration Statement" means any registration statement of the Company, which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

"Restricted Security" means (i) any Common Share purchased pursuant to the Subscription Agreements, (ii) any Common Share issuable upon exercise of a Founding Shareholders Warrant, and (iii) any shares or other securities issued in respect of such Restricted Securities by reason of or in connection with any share dividend, share distribution, share split, purchase in any rights offering or in connection with any exchange for or replacement of such Restricted Securities or any combination of shares, recapitalization, amalgamation, merger or consolidation, any other equity securities issued in respect of Registrable Securities pursuant to any other pro rata distribution with respect to the Common Shares; provided, however, that Restricted Security shall exclude any of the foregoing securities that (i) has been registered pursuant to an effective registration statement under the Securities Act and sold in a manner contemplated by the prospectus included in such registration statement, (ii) has been transferred by a Covered Shareholder in compliance with the resale provisions of Rule 144 under the Securities Act (or any successor provision thereto) or is transferable by a Covered Shareholder pursuant to paragraph (k) of Rule 144 under the Securities Act (or any successor provision thereto), or (iii) otherwise has been transferred by a Covered Shareholder and a new certificate representing a Common Share not subject to transfer restrictions under the Securities Act has been delivered by or on behalf of the Company.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder, or any similar successor statute.

"Shelf S-1 Resale Registration Statement" means a shelf registration statement on Form S-1 to be filed by the Company within 90 days after the Closing Date, as contemplated by Section 2(a) of the Private Placement Registration Rights Agreement.

"Underwritten Offering" means a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

2. Registration. (a) Demand Registration Rights.

(ii) At any time after the Shelf S-1 Resale Registration Statement has been withdrawn or has ceased to be effective, or if the Shelf S-1 Resale Registration Statement has not been filed within 90 days after the Closing Date, if the Company shall receive a written request from the Covered Shareholders holding a majority of the Registrable Securities, the Company shall (A) provide written notice to all other Covered Shareholders of such request and extend to them the opportunity to include their Registrable Securities in the proposed registration, (B) in no event later than 60 days after the receipt of such request (but subject to any applicable Blackout Periods) (the "Filing Deadline"), prepare and file with the Commission a Registration Statement under the Securities Act on Form S-3 (or such other form as may be available for use by the Company) relating to the offer and sale of the Registrable Securities by the Covered Shareholders joining in such request, (C) promptly take all actions that are necessary or advisable in connection with such registration, including without limitation, providing written responses to any comments made by the Commission regarding such Registration Statement and filing any necessary pre-effective amendments and all necessary exhibits thereto, and (D) use its commercially reasonable efforts to cause such Registration Statement to be declared effective by the Commission as soon as possible after the initial filing thereof. The Company shall, subject to any applicable Blackout Periods, use its commercially reasonable efforts to keep such Registration Statement effective for the period beginning on the date such Registration Statement becomes effective (the "Effectiveness Date") and terminating on the earlier of (x) two years from the Effectiveness Date and (y) the date upon which all Registrable Securities then held by the Participating Covered Shareholders and included in such Registration Statement either (i) may be resold without restriction of any kind and without need for such Registration Statement to be effective or (ii) have been disposed of pursuant to transactions contemplated by the Registration Statement. The Company's obligation to file and maintain the effectiveness of a Registration Statement under this Section 2(a) shall terminate on the date upon which all Registrable Securities then held by the Participating Covered Shareholders and included in such Registration Statement either (i) may be resold without restriction of any kind under the Securities Act and without need for a Registration Statement to be effective or (ii) have been disposed of pursuant to transactions contemplated by the Registration Statement.

(iii) If a registration pursuant to this Section 2(a) involves a Public Offering that is an Underwritten Offering, the Company and each other selling security holder participating in such Public Offering shall agree to sell any Common Shares to be sold by them to the underwriters on the same terms as apply to the Common Shares to be sold by the Participating Covered Shareholders. If the managing underwriter thereof advises the Company and the Participating Covered Shareholders that, in its view, the number of Common Shares that the Company and the Participating Covered Shareholders and other selling security holders (if any) intend to include in such registration exceeds the largest number of Common Shares that can be sold without having an adverse effect on such Public Offering, including with respect to the price at which such shares can be sold (the "Maximum Offering Size"), the Company shall include in such registration only that number of Common Shares which does not exceed the Maximum Offering Size, in the following order of priorities: (1) first, all Registrable Securities that the Participating Covered Shareholders have requested to include therein and (2) second, the securities proposed to be registered by the Company and by other holders of securities entitled to participate in the registration, drawn from them in such amounts as may be agreed between the Company and such other holders.

(iv) The Company shall be required to register the Registrable Securities not more than two (2) times pursuant to this Section 2(a).

(v) At any time before a Registration Statement requested by any Covered Shareholder pursuant to this Section 2(a) has become effective, any Participating Covered Shareholder may withdraw its request by written notice to the Company and upon receipt of such notice the Company shall, at its option, either (x) withdraw the Registration Statement (if any) that it previously filed in connection with such request (but only if the number of Registrable Securities withdrawn is more than half of the number of Registrable Securities included in such Registration Statement) or (y) amend such Registration Statement to remove any Registrable Securities included therein at the request of the Participating Covered Shareholders seeking to withdraw their Registrable Securities, and in either case shall be relieved of all obligations under this Section 2(a) with respect to such request; provided that if the Company elects to withdraw the Registration Statement and the Participating Covered Shareholders reimburse the Company for all of the Company's costs and expenses incurred in complying with such request through the time the Company receives notice of the Covered Shareholders' withdrawal of such request, such request shall not count as a request to register Registrable Securities for purposes of Section 2(a)(iii).

(b) Piggyback Registration Rights. (i) If the Company proposes to register any of its Common Shares under the Securities Act (other than a registration on Form S-8 or S-4 or any successor or similar forms), whether or not for sale for its own account, it shall at such time give prompt written notice at least 20 calendar days prior to the anticipated filing date of the registration statement relating to such registration to the Covered Shareholders, which notice shall set forth such Covered Shareholders' rights under this Section 2(b) and shall offer the Covered Shareholders the opportunity to include in such registration statement such number of Registrable Securities as the Covered Shareholders may request. Upon the written request of any Covered Shareholder made within 15 calendar days of the notice from the Company (which request shall specify the number of Registrable Securities such Covered Shareholder seeks to register), the Company shall use commercially reasonable efforts to include in such registration all Registrable Securities that the Company has been so requested to register by any Covered Shareholder, to the extent requisite to permit the disposition of the Registrable Securities to be so registered; provided, however, that (A) if such registration involves an underwritten Public Offering, the Participating Covered Shareholders must sell their Registrable Securities to the underwriters on the same terms and conditions as apply to the Company or other selling security holders, (B) if such registration does not involve an underwritten Public Offering, the Participating Covered Shareholders must sell their Registrable Securities in accordance with the plan of distribution set forth on Exhibit A and (C) if, at any time after giving written notice of its intention to register any Common Shares pursuant to this Section 2(b) and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register such Common Shares, the Company shall give written notice to the Participating Covered Shareholders and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration.

(ii) If a registration pursuant to this Section 2(b) involves an Underwritten Offering and the managing underwriter thereof advises the Company that, in its view, the number of Common Shares that the Company and the Participating Covered Shareholders and other selling security holders (if any) intend to include in such registration exceeds the Maximum Offering Size, the Company shall include in such registration only that number of Common Shares which does not exceed the Maximum Offering Size, in the following order of priorities: (1) first, all securities the Company proposes to sell for its own account and all securities that other holders of securities entitled to participate in the registration with a priority greater than the priority of the Covered Shareholders, in such priority among them as is agreed among the Company and such other holders of securities, (2) second, the Registrable Securities of the Participating Covered Shareholders and the securities requested to be registered by other holders of securities entitled to participate in the registration having a priority equal to the priority of the Covered Shareholders, drawn from them pro-rata based on the number of shares each has requested to be included in such registration and (3) third, the securities requested to be registered by other holders of securities entitled to participate in the registration having a priority lower than the priority of the Covered Shareholders, drawn from them in such amounts as may be agreed by such holders.

(iii) If as a result of the proration provisions of this Section 2(b), the Participating Covered Shareholders are not entitled to include all Registrable Securities that they have requested to include in such registration, any Participating Covered Shareholder may elect to withdraw its request to include any Registrable Securities in such registration.

(iv) If any Participating Covered Shareholder decides not to include all of its Registrable Securities in any Registration Statement filed by the Company but before such Registration Statement becomes effective, such Participating Covered Shareholder shall nevertheless continue to have the right under this Section 2(b) to include any Registrable Securities then held by it in any subsequent Registration Statement as may be filed by the Company with respect to offerings of its Common Shares.

(v) Notwithstanding the foregoing, the Company shall have no obligations under this Section 2(b) at any time that the Registrable Securities that the Participating Covered Shareholders seek to include in a Registration Statement are the subject of an effective registration statement.

(c) Blackout Period.

(i) Subject to the provisions of this Section 2(c) and a good faith determination by a majority of the independent members of the Board of Directors of the Company that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any foreign, federal or state securities commissions), the Company, by written notice to managing underwriter (if any) and the Participating Covered Shareholders, may direct the Participating Covered Shareholders to suspend sales of the Registrable Securities pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than (x) an aggregate of ninety (90) days in any rolling twelve (12)-month period commencing on the Closing Date or (y) more than sixty (60) days in any rolling 90-day period), if any of the following events shall occur: (1) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Securities pursuant to the Registration Statement would have a material adverse effect on the Company's primary offering; (2) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that (A) the offer or sale of any Registrable Securities would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, amalgamation, merger, tender offer, business combination, corporate reorganization or other significant transaction involving the Company or (B) after the advice of counsel, the sale of Registrable Securities pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of the proposed transaction, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate the proposed transaction, or (z) the proposed transaction renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis, as applicable; or (3) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith, after the advice of counsel, that the Company is required by law, rule or regulation or that it is in the best interests of the Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (A) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (B) reflecting in the prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (C) including in the prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Any period in which the use of the Registration Statement has been suspended in accordance with this Section 2(c) is sometimes referred to herein as a "Blackout Period." Upon the occurrence of any such suspension, the Company shall use all reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Participating Covered Shareholders to resume sales of the Registrable Securities as soon as possible.

(ii) In the case of an event that causes the Company to suspend the use of a Registration Statement (a "Suspension Event"), the Company shall give written notice (a "Suspension Notice") to the managing underwriter (if any) and the Participating Covered Shareholders to suspend sales of the Registrable Securities and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing (but in no event longer than the periods specified in Section 2(c)(i)) and that the Company is using all reasonable efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. Such Participating Covered Shareholders shall not effect any sales of their Registrable Securities pursuant to such Registration Statement (or such filings) at any time after they have received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, such Participating Covered Shareholders shall deliver to the Company (at the expense of the Company) all copies (other than permanent file copies) then in such Participating Covered Shareholders' possession of the Prospectus covering the Registrable Securities at the time of receipt of the Suspension Notice. Such Participating Covered Shareholders may recommence effecting sales of the Registrable Securities pursuant to the Registration Statement (or such filings) following further notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to such Participating Covered Shareholders and the managing underwriter in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(iii) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 2(c), the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by such Participating Covered Shareholders of the Suspension Notice to and including the date of receipt by such Participating Covered Shareholders of the End of Suspension Notice and copies of the supplemented or amended Prospectus necessary to resume sales.

3. Obligations of the Company. In connection with the registration of the Registrable Securities, the Company shall use commercially reasonable efforts to:

(a) (i) Prepare and file with the Commission a Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the Securities Act (as shall be selected by the Company), which Registration Statement (1) shall be available for the sale of the Registrable Securities by the Participating Covered Shareholders, (2) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the Commission to be filed therewith or incorporated by reference therein, and (3) shall comply in all respects with the requirements of Regulation S-T under the Securities Act, and (ii) cause such Registration Statement to become effective and remain effective in accordance with Section 2 of this Agreement.

(b) Prepare and file with the Commission such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; and cause each Prospectus to be supplemented by any required prospectus supplement or Issuer Free Writing Prospectus, and cause the Prospectus as so supplemented or any such Issuer Free Writing Prospectus, as the case may be, to be filed pursuant to Rule 424 or Rule 433, respectively (or any similar provision then in force) under the Securities Act and comply with the provisions of the Securities Act, the Exchange Act and the rules and regulations thereunder applicable to it with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the Participating Covered Shareholders thereof (including sales by any broker-dealer);

(c) Not prepare, use or file any Issuer Free Writing Prospectus with respect to Registrable Securities unless such Issuer Free Writing Prospectus has been approved by the Participating Covered Shareholders holding a majority of the Registrable Securities included in such Registration Statement (which approval shall not be unreasonably withheld);

(d) During such time as a Registration Statement is effective or such shorter period that will terminate when all the Registrable Securities included therein have been sold (the "Registration Period"), comply with the provisions of the Securities Act with respect to the Registrable Securities covered by the Registration Statement;

(e) (i) Prior to the filing with the Commission of any Registration Statement (including any amendments thereto) and the distribution or delivery of any Prospectus (including any supplements thereto) or Issuer Free Writing Prospectus, provide draft copies thereof (including a copy of the accountant's consent letter to be included in the filing) to the Participating Covered Shareholders and reflect in such documents all such comments relating to such Participating Covered Shareholders and the plan of the distribution of the Registrable Securities as such Participating Covered Shareholders reasonably may propose; and

(ii) Furnish to the Participating Covered Shareholders, without charge, (A) promptly after the same is prepared and publicly distributed, filed with the Commission or received by the Company, one copy of the Registration Statement, each Prospectus, each Issuer Free Writing Prospectus and each amendment or supplement to any of the foregoing and (B) such number of copies of each Prospectus, each Issuer Free Writing Prospectus, and all amendments and supplements thereto and such other documents as such Covered Shareholders may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by them;

(f) (i) Register or qualify, or obtain exemption from registration or qualification for, the Registrable Securities covered by a Registration Statement under such securities or "blue sky" laws of such jurisdictions as any Participating Covered Shareholder shall reasonably request in writing;

(ii) Prepare and file in such jurisdictions such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof at all times during the Registration Period;

(iii) Take all such other lawful actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period; and

(iv) Take all such other lawful actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions;

provided, however, that the Company shall not be required in connection with any of its obligations under this Section 3(f) (A) to qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(f), (B) to subject itself to general taxation in any such jurisdiction or (C) to file a general consent to service of process in any such jurisdiction;

(g) Use its commercially reasonable efforts to cause all Registrable Securities covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Participating Covered Shareholders to consummate the disposition of such Registrable Securities; provided, however, that the Company shall not be required (A) to qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(f), (B) to subject itself to general taxation in any such jurisdiction or (C) to file a general consent to service of process in any such jurisdiction;

(h) As promptly as practicable after becoming aware of such event, notify the Participating Covered Shareholders of the occurrence of any event, as a result of which the Prospectus included in a Registration Statement, as then in effect, or any Issuer Free Writing Prospectus, taken as a whole with the Prospectus, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare an amendment to a Registration Statement and supplement to the Prospectus to correct such untrue statement or omission, and deliver a number of copies of such supplement and amendment to such Covered Shareholders as such Covered Shareholders may reasonably request;

(i) Notify each Participating Covered Shareholder promptly and, if requested by any Participating Covered Shareholder, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iii) of any request by the Commission or any other federal, state or foreign governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iv) of the happening of any event during the period a Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) and (v) at the request of any Participating Covered Shareholder, promptly to furnish to such Participating Covered Shareholder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchaser of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) Make every reasonable effort to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as promptly as practicable;

(k) Except as provided in Section 2(c), upon the occurrence of any event contemplated by Section 3(i)(iv), use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(l) Use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to cause all the Registrable Securities covered by a Registration Statement to be listed on a principal national securities exchange, or included in an inter-dealer quotation system of a registered national securities association, on or in which securities of the same class or series issued by the Company are then listed or included;

(m) Enter into and perform customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form) and take all other action in connection therewith in order to expedite or facilitate the distribution of the Registrable Securities included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the Participating Covered Shareholders covered by such Registration Statement and to the underwriters in such form and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(n) Provide and cause to be maintained a transfer agent and registrar, which may be a single entity, for the Registrable Securities not later than the effective date of the first Registration Statement;

(o) Cooperate with the Participating Covered Shareholders to facilitate the timely preparation and delivery of certificates for the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates for the Registrable Securities to be in such denominations or amounts, as the case may be, as such Participating Covered Shareholders reasonably may request and registered in such names as such Participating Covered Shareholders may request; and, within three business days after a Registration Statement which includes Registrable Securities is declared effective by the Commission, deliver to the transfer agent for the Registrable Securities (with copies to such Participating Covered Shareholders) an appropriate instruction and, to the extent necessary, cause legal counsel selected by the Company to deliver an opinion of such counsel to such transfer agent;

(p) Take all such other lawful actions reasonably necessary to expedite and facilitate the disposition by such Participating Covered Shareholders of their Registrable Securities in accordance with the intended methods therefor provided in the Prospectus which are customary under the circumstances, including without limitation, by making senior management available to participate in road shows and meeting with potential investors as such Participating Covered Shareholders shall reasonably request.

4. Obligations of the Covered Shareholders. In connection with the registration of the Registrable Securities, the Participating Covered Shareholders shall have the following obligations:

(a) It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities that the Participating Covered Shareholders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of the Registrable Securities held by them as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. At least ten business days prior to the first anticipated filing date of a Registration Statement, the Company shall notify such Participating Covered Shareholders and their counsel, whether in-house or otherwise ("Counsel") of the information relating to such Covered Shareholders and the Registrable Securities the Company requires from such Participating Covered Shareholders in order to prepare and file a Registration Statement that complies with the Securities Act (the "Requested Information"). If four business days prior to the anticipated filing date the Company has not received the Requested Information from such Participating Covered Shareholders or their Counsel, then the Company shall send such Participating Covered Shareholders and their Counsel a reminder of such information request. If two business days prior to the anticipated filing date the Company still has not received the Requested Information from any such Participating Covered Shareholder or its Counsel, then the Company may file the Registration Statement without including Registrable Securities of such Participating Covered Shareholder. However, promptly upon receipt of the Requested Information, and at such Participating Covered Shareholder's expense, the Company shall file such amendment(s) to the Registration Statement as may be necessary to include therein the Registrable Securities of such Participating Covered Shareholder.

(b) Each Covered Shareholder agrees to cooperate with the Company in connection with the preparation and filing of such Registration Statement hereunder, unless such Covered Shareholder has notified the Company in writing of its election in accordance with the terms and conditions of this Agreement to exclude all of its Registrable Securities from such Registration Statement.

(c) The Covered Shareholders shall not prepare or use any Free Writing Prospectus (as such term is defined in Rule 405 under the Securities Act) unless any and all issuer information included therein has been approved by the Company (such approval not be unreasonably withheld).

(d) As promptly as practicable after becoming aware of such event, each Participating Covered Shareholder shall notify the Company of the occurrence of any event, as a result of which the Prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) Upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 3(g) or 3(h), the Participating Covered Shareholders shall immediately discontinue their disposition of Registrable Securities pursuant to a Registration Statement covering such Registrable Securities until the Participating Covered Shareholders' receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(g) and, if so directed by the Company, the Participating Covered Shareholders shall deliver to the Company (at the expense of the Company) or destroy (and deliver to the Company a certificate of destruction) all copies (other than permanent file copies) in their possession of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

5. Expenses of Registration. All Registration Expenses shall be paid by the Company. The Participating Covered Shareholders selling Registrable Securities shall pay the underwriting discount attributable to their Registrable Securities, any transfer taxes payable with respect thereto and all fees and expenses, including fees and expenses of such Participating Covered Shareholders' counsel, incurred by the Participating Covered Shareholders.

6. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless (i) the Covered Shareholders, (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act), any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a "Controlling Person"), and (iii) the respective officers, directors, partners, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as a "Purchaser Indemnitee"), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the "Liabilities"), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, directly or indirectly related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (as amended or supplemented if the Company shall have furnished to such Purchaser Indemnitee any amendments or supplements thereto), or any preliminary Prospectus or Issuer Free Writing Prospectus taken as a whole with the preliminary Prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon (i) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company or any underwriter in writing by such Purchaser Indemnitee expressly for use therein, or (ii) any untrue statement contained in or omission from or alleged untrue statement contained in or alleged omission from a preliminary Prospectus if a copy of the preliminary Prospectus (as then amended or supplemented, if the Company shall have furnished or made available to or on behalf of the applicable Participating Covered Shareholders any amendments or supplements thereto) was not sent or given by or on behalf of the applicable Participating Covered Shareholder to the Person asserting any such Liabilities who purchased the Registrable Securities, if such preliminary Prospectus (or preliminary Prospectus as amended or supplemented) is furnished or made available to the Participating Covered Shareholders prior to the time of sale of such Common Shares to such Person and the untrue statement contained in or omission from or alleged untrue statement contained in or alleged omission from such preliminary Prospectus was corrected in the preliminary Prospectus, as amended or supplemented. The Company shall notify the Covered Shareholders promptly of the institution, threat or assertion of any claim, proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement which involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) Indemnification by the Covered Shareholders. In connection with any Registration Statement that includes Registrable Securities of a Participating Covered Shareholder, each Participating Covered Shareholder agrees, severally and not jointly, to indenmify and hold harmless the Company, each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and the respective partners, directors, officers, members, representatives, employees and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in strict conformity with information relating to such Participating Covered Shareholder furnished to the Company in writing by such Participating Covered Shareholder expressly for use in any Registration Statement or Prospectus, any amendment or supplement thereto or any preliminary Prospectus or Issuer Free Writing Prospectus. The liability of any Participating Covered Shareholder pursuant to this paragraph shall in no event exceed the net proceeds received by such Participating Covered Shareholder from sales of Registrable Securities giving rise to such obligations.

(c) Notice of Claims, etc. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the "Indemnified Party"), shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 6, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such action, suit, proceeding, claim or demand and shall pay the reasonable fees and expenses actually incurred by such counsel related to such proceeding. Notwithstanding the foregoing, in any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, or (iii) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel), for all such Indemnified Parties, and any such separate firm for the Indemnifying Party, the directors, the officers and such control Persons of the Indemnified Party as shall be designated in writing by the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) Contribution. If the indemnification provided for in paragraphs (a) and (b) of this Section 6 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indenmifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and any Purchaser Indemnitees on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Purchaser Indemnitees and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by *pro rata* allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6(d) above. The amount paid or payable by an Indemnified Party as a result of any Liabilities referred to in Section 6(d) shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which proceeds received by such Purchaser Indemnitee from sales of Registrable Securities exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 6, each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) any Covered Shareholder shall have the same rights to contribution as the Covered Shareholders and each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 6 shall be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Covered Shareholders' obligations to contribute pursuant to this Section 6 are several in proportion to the respective number of Common Shares sold by each of the Covered Shareholders hereunder and not joint.

7. Assignment. The rights to have the Company register Registrable Securities pursuant to this Agreement may be assigned or transferred only with the prior written consent of the Company, and any such assignment or transfer without such consent shall be void and of no effect. In the event of any such permitted assignment or transfer by any Covered Shareholder to any permitted transferee of all or any portion of such Registrable Securities such transfer shall be allowed only if: (a) the Covered Shareholder agrees in writing with the transferee or assignee to assign such rights and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (b) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (i) the name and address of such transferee or assignee and (ii) the Registrable Securities with respect to which such registration rights are being transferred or assigned, (c) immediately following such transfer or assignment, the Registrable Securities so transferred or assigned to the transferee or assignee constitute Restricted Securities, (d) at or before the time the Company received the written notice contemplated by clause (b) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein, and (e) the Company is furnished with an opinion of counsel, which counsel and opinion shall be reasonably satisfactory to the Company, to the effect that the permitted assignment would be in compliance with the Securities Act and any applicable state or other securities laws.

8. Amendment and Waiver. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Covered Holders beneficially owning not less than a majority of the then outstanding Registrable Securities; provided, however, that for purposes of this Section 8, Registrable Securities that are owned, directly or indirectly, by the Company shall not be deemed to be outstanding. No amendment shall be deemed effective if by its terms it expressly discriminates against any Covered Shareholder. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates exclusively to the rights of a Covered Shareholder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Covered Shareholders may be given by such Covered Shareholder; provided that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

9. Miscellaneous.

(a) Holders of Registrable Securities. A Person shall be deemed to be a holder of Registrable Securities whenever such Person owns of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities.

(b) Notices. Except as may be otherwise provided herein, any notice or other communication or delivery required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, by a nationally recognized overnight courier service or by facsimile as follows, and shall be deemed given when actually received.

If to the Company, to:

Maiden Holdings, Ltd.
7 Reid Street
Hamilton HM 12 Bermuda
Attention: Ben Turin
Fax: (441) 292-5796

With a copy (which shall not constitute notice) to:

LeBoeuf, Lamb, Greene & MacRae LLP
125 West 55th Street
New York, New York 10019
Attention: Matthew M. Ricciardi, Esq.
Fax: (212) 649-9483

If to any Covered Shareholder, to it at the address set forth below its name on the signature page of this Agreement or, in the case of a Covered Shareholder who becomes such as a result of an assignment in accordance with Section 7, on the instrument by which such Person agrees to be bound by the provisions contained herein.

The Company or any Covered Shareholder may, by notice given pursuant to this Section 9(b), change the address for notices to it.

(c) Implied Waivers. Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) Remedies; Specific Performance. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law. In the event of a breach by the Company of any of its obligations under this Agreement, each Covered Shareholder, in addition to being entitled to exercise all rights provided herein, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 6, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(e) **Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

(f) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use good faith efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(g) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and undertakings among the parties hereto with respect to the subject matter hereof.

(h) Persons Bound. Subject to the requirements of Section 7 hereof, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

(i) Registrable Shares Held by the Company or its Affiliates. Whenever the consent or approval of Covered Shareholders holding a specified percentage of Registrable Securities is required hereunder, Registrable Securities held directly or indirectly by the Company shall not be counted in determining whether such consent or approval was given by Covered Shareholders holding such required percentage.

(j) Adjustment for Stock Splits, etc. Wherever in this Agreement there is a reference to a specific number of shares or liquidated damages payable with respect to any Registrable Securities, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares or amount of liquidated damages payable with respect to any Registrable Securities so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(k) Survival. The indemnification and contribution obligations under Section 6 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(l) Interpretation. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning thereof.

(m) Further Assurances. From and after the date of this Agreement, upon the request of the Covered Shareholders or the Company, the Company and the Covered Shareholders shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

(n) Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures delivered by facsimile shall be deemed to be original signatures.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MAIDEN HOLDINGS, LTD.
a Bermuda company

By: /s/ Ben Turin
Name: Ben Turin
Title: Chief Operating Officer, General Counsel and Secretary

THE FOUNDING SHAREHOLDERS

By: /s/ George Karfunkel
Name: George Karfunkel
Address for notices: AmTrust Financial Services, Inc.
59 Maiden Lane, 6th Floor
New York, NY 10038

By: /s/ Michael Karfunkel
Name: Michael Karfunkel
Address for notices: AmTrust Financial Services, Inc.
59 Maiden Lane, 6th Floor
New York, NY 10038

By: /s/ Barry D. Zyskind
Name: Barry D. Zyskind
Address for notices: AmTrust Financial Services, Inc.
59 Maiden Lane, 6th Floor
New York, NY 10038

Exhibit A

Plan of Distribution

The selling shareholder and any of its donees, transferees, pledgees, assignees and successors-in-interest may sell, from time to time, any or all of their common shares on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling shareholder may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- over-the-counter distribution in accordance with the rules of the Nasdaq Stock Market;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the selling shareholder to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

Under applicable rules and regulations under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), any person engaged in a distribution of the common shares covered by this prospectus may be limited in its ability to engage in market activities with respect to such shares. The selling shareholder, for example, will be subject to applicable provisions of the Securities Exchange Act and the rules and regulations under it, including, without limitation, Regulation M, which provisions may restrict certain activities of the selling shareholder and limit the timing of purchases and sales of any common shares by the selling shareholder. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. The foregoing may affect the marketability of the shares offered by this prospectus.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution.

In connection with distributions of the shares or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of our common shares in the course of hedging the positions they assume with selling shareholders. The selling shareholders may also sell our securities short and redeliver the shares to close out such short positions. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares the broker-dealer or other financial institution may resell pursuant to this prospectus, as supplemented or amended to reflect such transaction.

The selling shareholder may also engage in short sales against the box, puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades. The selling shareholder may pledge its shares to its brokers under the margin provisions of customer agreements. If the selling shareholder defaults on a margin loan, the broker may offer and sell, from time to time, the pledged shares.

The selling shareholder may sell shares directly to market makers acting as principals and/or broker-dealers acting as agents for itself or its customers. Broker-dealers engaged by the selling shareholder may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions, concessions or discounts from the selling shareholder (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling shareholder does not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Market makers and block purchasers that purchase the shares will do so for their own account and at their own risk. It is possible that a selling shareholder will attempt to sell shares in block transactions to market makers or other purchasers at a price per share that may be below the then-current market price. We cannot make assurances that all or any of the common shares will be issued to, or sold by, the selling shareholder.

In addition, any shares that qualify for sale pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended (the “Securities Act”), may be sold under Rule 144 rather than pursuant to this prospectus.

The selling shareholder and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

In certain states, the applicable state securities laws will require a holder of shares desiring to sell its shares to sell its shares only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We are required to pay all fees and expenses incident to the registration of the shares. We have agreed to indemnify the selling shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

In addition, we will make copies of this prospectus available to the selling shareholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling shareholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of shares is made, if required, a prospectus supplement will be distributed that will set forth the number of shares being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallowed or paid to any dealer, and the proposed selling price to the public.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT dated as of July 3, 2007 (the "Effective Date"), by and between Maiden Holdings, Ltd., 7 Reid Street, Hamilton HM 12, Bermuda, a Bermuda company (the "Company") and Max G. Caviet, an individual residing at Ashford House 56 Tilt Road Cobham Surrey KT11 3HQ ("Executive").

WITNESSETH

WHEREAS, the Company and Executive each desire to enter into this Employment Agreement (the "Agreement") in order to set forth the terms and conditions of Executive's employment during the period in which the Company establishes itself (the "Transition Period"), intending to supersede any prior employment agreement, written or oral, whether with the Company or other affiliates with regard to this Transition Period employment with the Company.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Duties and Responsibilities. It is the intention of the Company that Executive serve as President and Chief Executive Officer of the Company, at the pleasure of the board of directors of the Company (the "Board of Directors"). The duties, responsibilities and authorities of Executive shall be those which are customary for presidents of corporations of the size, type and nature of the Company including, without limitation, authority, in conjunction with the Board of Directors as appropriate, to hire and terminate other employees of the Company. Executive's principal place of work will be in Hamilton, Bermuda, but he shall be required to travel as reasonably necessary to carry out his duties.

Executive shall continue to also be employed by AmTrust Financial Services, Inc. ("AmTrust") during the Employment Period (as defined in Clause 2), however, Executive will transition his duties to the Company during the Employment Period and Executive agrees to devote his best efforts to promote and develop the business of the Company. Subject to the approval of the Board of Directors, which shall not be unreasonably withheld, Executive shall be entitled to serve on corporate, civic, and/or charitable boards or committees and to otherwise reasonably participate as a member in community, civic, or similar organizations and the pursuit of personal investments which do not present any material conflicts of interest with the Company.

During the Employment Period, the Company shall use its best efforts to secure the election of Executive to the Board of Directors. During the Employment Period, if the Board of Directors forms an executive or similar committee, Executive shall serve thereon. If elected or appointed, Executive shall serve on the Board of Directors and/or the board of directors of the Company's affiliates without additional compensation.

2. Employment Period. For the Transition Period, commencing on the Effective Date hereof and ending December 31, 2007 (the "Employment Period"), subject always to Clause 5, the Company hereby employs Executive in the capacities herein set forth. Executive agrees, pursuant to the terms hereof, to serve in such capacities for the Employment Period. If Executive has not entered into a successive employment agreement with the Company by the expiration of the Employment Period, Executive's employment with the Company will terminate as of the expiration of the Employment Period.

3. Compensation and Benefits.

(a) Salary. The Company shall compensate Executive for a portion of Executive's £250,000 per annum salary with AmTrust (such portion referred to herein as "Salary") based on the proportionate amount of time that Executive devotes to Company matters during the Employment Period.

(b) Profit Bonus. Executive shall be eligible to receive a profit bonus in an amount equal to no less than 20% of Salary, to reflect the Executive's individual contribution to the Company's profits for the fiscal year, as determined in the sole discretion of the Board of Directors. The Profit Bonus, if any, shall be paid on the date following the date that the Company's completed consolidated financial statements for the 2007 calendar year are issued, but in no event later than June 30, 2008.

(c) Special Bonus. It is understood and agreed that the Company intends to adopt a 2007 Share Incentive Plan (the "Plan"). Executive shall be granted options to purchase under the Plan 300,000 shares of the Company's common shares, subject to the terms and conditions of the Plan and respective award agreement. Such share options will be incentive share options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent permitted by law. Twenty-five percent of the options will become exercisable on the first anniversary of the date that the options are granted, with an additional 6.25% of the options vesting each quarter thereafter based on Executive's continued employment, and will expire ten years after the date of grant, provided, however, that notwithstanding such vesting schedule, 250,000 of the options shall be forfeited upon the expiration of the Employment Period in the event Executive does not enter into a successive employment agreement with the Company by the expiration of the Employment Period.

(d) Executive shall also be entitled to the following benefits:

(i) two and one-half (2 ½) weeks of paid vacation for the Employment Period, or such greater period as may be approved from time to time by Board of Directors to be taken at times mutually convenient to Executive and the Company. Compensation shall not be provided in lieu of unused vacation time;

(ii) paid holidays and any and all other work-related leave (whether sick leave or otherwise) as provided to the Company's other executive employees; and

(iii) Executive will participate in such benefit schemes to which executive employees of the Company, their dependents and beneficiaries generally are entitled during the Employment Period, including, without limitation, private medical, permanent health insurance, life assurance, retirement and other present or successor plans and practices of Company for which executive employees, their dependents and beneficiaries are eligible.

4. Reimbursement of Expenses. The Company recognizes that Executive, in performing Executive's functions, duties and responsibilities under this Agreement, may be required to spend sums of money in connection with those functions, duties and responsibilities for the benefit of the Company and, accordingly, shall reimburse Executive for travel and other out-of-pocket expenses reasonably and necessarily incurred in the performance of his functions, duties and responsibilities hereunder upon submission of written statements and/or bills in accordance with the regular procedures of the Company in effect from time to time.

5. Termination By Company for Cause. The Company may discharge Executive for Cause at any time. Cause shall include (i) a material breach of this Agreement by Executive, but only if such material breach is not cured within thirty (30) days following written notice by the Company to Executive of such breach, assuming such breach may be cured; (ii) Executive is convicted of any act or course of conduct involving moral turpitude; or (iii) Executive engages in any willful act or willful course of conduct constituting an abuse of office or authority which significantly and adversely affects the business or reputation of the Company. No act, failure to act or course of conduct on Executive's part shall be considered willful unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action, omission or course of conduct was in the Company's best interests. Any written notice by the Company to Executive pursuant to this Clause 5 shall set forth, in reasonable detail, the facts and circumstances claimed to constitute the Cause. If Executive is discharged for Cause, the Company, without any limitations on any remedies it may have at law or equity, shall have no liability for Salary or any other compensation and benefits to Executive after the date of such discharge.

6. Non-Disclosure of Confidential Information. "Confidential Information" means all information known by Executive about the Company's business plans, present or prospective customers, vendors, products, processes, services or activities, including the costing and pricing of such services or activities, employees, agents and representatives. Confidential Information does not include information generally known, other than through breach of a confidentiality agreement with the Company, in the industry in which the Company engages or may engage. Executive will not, while this Agreement is in effect or after its termination, directly or indirectly, use or disclose any Confidential Information, except in the performance of Executive's duties for the Company, or to other persons as directed by the Board of Directors. Executive will use reasonable efforts to prevent unauthorized use or disclosure of Confidential Information. Upon termination of employment with the Company, Executive will deliver to the Company all writings relating to or containing Confidential Information, including, without limitation, notes, memoranda, letters, electronic data, drawings, diagrams, and printouts, as well as any tapes, discs, flash drives or other forms of recorded information. If Executive violates any provision of this Clause 6 while this Agreement is in effect or after termination, the Company specifically reserve the right, in appropriate circumstances, to seek full indemnification from Executive should the Company suffer any monetary damages or incur any legal liability to any person as a result of the disclosure or use of Confidential Information by Executive in violation of this Clause 6.

7. Restrictive Covenant.

(a) Prohibited Activities. Executive agrees that he shall not (unless he has received the prior written consent of the Company), during the Employment Period and the period beginning on the date of termination of employment and ending three (3) years thereafter (together, the "Restriction Period"), directly or indirectly, for any reason, for his own account or on behalf of or together with any other person or firm:

(i) hire or solicit for employment or call on, directly or indirectly, through any person or firm, any senior employee who is at that time (or at any time during the one year prior thereto) employed by or representing the Company or its affiliates with the purpose or intent of attracting that senior employee from the employ or representation of the Company or its affiliates;

(ii) call on, solicit or perform services for, directly or indirectly through any person or firm, any person or firm that at that time is, or at any time within the one year prior to that time was, a customer of the Company or its affiliates with whom Executive had dealings, for the purpose of soliciting or selling any product or service in competition with the Company or its affiliates; or

(iii) call on, directly or indirectly through any person or firm, any entity which has been called on by the Company or an affiliate in connection with a possible acquisition by the Company or an affiliate with the knowledge of that entity's status as such an acquisition candidate, for the purpose of acquiring that entity or arranging the acquisition of that entity by any person or firm other than the Company or the affiliate.

(b) Damages. Because of (i) the difficulty of measuring economic losses to the Company as a result of any breach by Executive of the covenants in Clause 7(a), and (ii) the immediate and irreparable damage which could be caused to the Company for which they would have no other adequate remedy, Executive agrees that the Company may enforce the provisions of Clause 7(a) by injunction and restraining order against Executive if he breaches any of said provisions, without the necessity of providing a bond or other security.

(c) Reasonable Restraint. The parties hereto agree that Clauses 7(a) and 7(b) impose a reasonable restraint on Executive in light of the activities and business of the Company on the date hereof and the current business plans of the Company.

8. Ownership of Inventions. Executive shall promptly disclose in writing to the Board of Directors all inventions, discoveries, and improvements conceived, devised, created, or developed by Executive in connection with his employment (collectively, "Invention"), and Executive shall transfer and assign to the Company all right, title and interest in and to any such Invention, including any and all domestic and foreign patent rights, domestic and foreign copyright rights therein, and any renewal thereof. Such disclosure is to be made promptly after the conception of each Invention, and each Invention is to become and remain the property of the Company, whether or not patent or copyright applications are filed thereon by the Company. Upon request of the Company, Executive shall execute from time to time during or after the termination of employment such further instruments including, without limitation, applications for patents and copyrights and assignments thereof as may be deemed necessary or desirable by the Company to effectuate the provisions of this Clause 8.

9. Construction. If the provisions of Clause 7 should be deemed unenforceable, invalid, or overbroad in whole or in part for any reason, then any court of competent jurisdiction designated in accordance with Clause 11 is hereby authorized, requested, and instructed to reform such Clause 7 to provide for the maximum competitive restraint upon Executive's activities (in time, product, geographic area and customer or employee solicitation) which shall then be legal and valid.

10. Damages and Jurisdiction. Executive agrees that violation of or threatened violation of Clauses 6, 7 or 8 would cause irreparable injury to the Company for which any remedy at law would be inadequate, and the Company shall be entitled in any court of law or equity of competent jurisdiction to preliminary, permanent and other injunctive relief against any breach or threatened breach of the provisions contained in Clauses 6, 7 or 8 hereof, without providing bond or other security, and such compensatory damages as shall be awarded. Further, in the event of a violation of the provisions of Clause 7, the Restriction Period referred to therein shall be extended for a period of time equal to the period that any violation occurred.

11. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of Bermuda, without giving effect to the principles of conflict of laws thereof. The Company and Executive hereby each consents to the exclusive jurisdiction of the Bermuda courts with respect to any dispute arising under the terms of this Agreement and further consents that any process or notice of motion therewith may be served by certified or registered mail or personal service, within or without Bermuda, provided a reasonable time for appearance is allowed. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury with respect to any litigation directly or indirectly arising out of or relating to this Agreement, or the breach, termination or validity of this Agreement, or the transactions contemplated by this Agreement. The parties further agree that any judgment, order or injunction granted by any court within Bermuda shall be enforceable in any jurisdiction in which the Company or its affiliates do business.

12. Indemnification. To the fullest extent permitted by, and subject to, the Company's Certificates of Incorporation and By-laws, the Company shall indemnify and hold harmless Executive against any losses, damages or expenses (including reasonable attorney's fees) incurred by him or on his behalf in connection with any threatened or pending action, suit or proceeding in which he is or becomes a party by virtue of his employment by the Company or any affiliates or by reason of his having served as an officer or director of the Company or any other corporation at the express request of the Company, or by reason of any action alleged to have been taken or omitted in such capacity.

13. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, that determination will not affect the enforceability of any other provision of this Agreement, and the remaining provisions of this Agreement will be valid and enforceable according to their terms.

14. Withholding. Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under any applicable employment or income tax laws or similar statutes or other provisions of law then in effect.

15. Successors to Company. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of Executive and Executive's personal representatives, and the Company and any successor or assign of the Company, including, without limitation, any corporation acquiring, directly or indirectly, all or substantially all of the assets of the Company, whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed embraced within the term "Company" for the purposes of this Agreement), but shall not otherwise be assignable by the Company. The services to be provided by Executive hereunder may not be delegated nor may Executive assign any of his rights hereunder.

16. No Restrictions. Executive represents and warrants that as of the Effective Date of this Agreement, Executive will not be subject to any contractual obligations or other restrictions, including, but not limited to, any covenant not to compete, that could interfere in any way with his employment hereunder.

17. Personal Data.

Executive acknowledges and agrees that the Company shall process certain personal data regarding him outside of the European Economic Area in connection with personnel administration and Company management.

18. Collective Agreements.

There are no collective agreements that directly affect the terms and conditions of Executive's employment.

19. Miscellaneous.

(a) This Agreement constitutes the entire understanding of the parties with respect to the subject hereof and may be modified only in writing.

(b) If Executive should die while any amount would still be payable to him under this Agreement if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's estate or legal representative.

(c) The failure of any of the parties hereto to enforce any provision hereof on any occasion shall not be deemed to be a waiver of any provision or succeeding breach of such provision or any other provision.

(d) All notices under this Agreement shall be given by registered or certified mail, return receipt requested, directed to parties at the following addresses or to such other addresses as the parties may designate in writing:

If to the Company:

Maiden Holdings, Ltd.
7 Reid Street
Hamilton HM 12 Bermuda
Attention: Bentzion S. Turin

If to Executive:

Max G. Caviet
Ashford House
56 Tilt Road
Cobham Surrey KT11 3HQ

(e) In furtherance and not in limitation of the foregoing, this Agreement supersedes any employment agreement between Executive and Maiden Holdings, Ltd., written or oral, and any such agreement hereby is terminated and is no longer binding on either party.

20. Key Man Insurance Authorization. At any time during the term of this Agreement, the Company will have the right (but not the obligation) to insure the life of Executive for the sole benefit of the Company and to determine the amount of insurance and type of policy. The Company will be required to pay all premiums due on such policies. Executive will cooperate with the Company in taking out the insurance by submitting to physical examination, by supplying all information required by the insurance company, and by executing all necessary documents. Executive, however, will incur no financial obligation by executing any required document, and will have no interest in any such policy.

21. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed to be duplicate originals.

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin

Bentzion S. Turin
Chief Operating Officer, General Counsel and Assistant Secretary

/s/ Max G. Caviet

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT dated as of July 3, 2007 (the "Effective Date"), by and between Maiden Holdings, Ltd., 7 Reid Street, Hamilton HM 12, Bermuda, a Bermuda company (the "Company") and Bentzion S. Turin, an individual residing at 10 West 87th Street, Apartment 1B, New York, New York, 10024 ("Executive").

WITNESSETH

WHEREAS, the Company and Executive each desire to enter into this Employment Agreement (the "Agreement") in order to set forth the terms and conditions of Executive's employment during the period in which the Company establishes itself (the "Transition Period"), intending to supersede any prior employment agreement, written or oral, whether with the Company or other affiliates with regard to this Transition Period employment with the Company.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. Duties and Responsibilities. It is the intention of the Company that Executive shall serve as Chief Operating Officer, General Counsel and Secretary of the Company, at the pleasure of the board of directors of the Company (the "Board of Directors"), reporting on a day-to-day basis directly to the President and Chief Executive Officer of the Company. Executive shall have such duties and responsibilities, consistent with his title and position, as may be assigned to him by the Board of Directors from time to time. Executive's principal place of work will be in Hamilton, Bermuda, but he shall be required to travel as reasonably necessary to carry out his duties.

Executive recognizes that, during the period of his employment hereunder, he owes an undivided duty of loyalty to the Company and agrees to devote all of his business time and attention to the performance of his duties and responsibilities and to use his best efforts to promote and develop the business of the Company. Subject to the approval of the Board of Directors, which shall not be unreasonably withheld, Executive shall be entitled to serve on corporate, civic, and/or charitable boards or committees and to otherwise reasonably participate as a member in community, civic, or similar organizations and the pursuit of personal investments which do not present any material conflicts of interest with the Company. If elected or appointed, Executive shall serve on the Board of Directors and/or the board of directors of the Company's affiliates without additional compensation.

2. Employment Period. For the Transition Period, commencing on the Effective Date hereof and ending December 31, 2007 (the "Employment Period"), subject always to Clause 5, the Company hereby employs Executive in the capacities herein set forth. Executive agrees, pursuant to the terms hereof, to serve in such capacities for the Employment Period. If Executive has not entered into a successive employment agreement with the Company by the expiration of the Employment Period, this Agreement will automatically renew on such date one time for an additional Employment Period which will expire on June 30, 2008. If Executive has not entered into a successive employment agreement by the expiration of this second Employment Period, Executive will be treated as an at-will employee of the Company.

3. Compensation and Benefits.

(a) Salary. The Company shall pay or cause an affiliate to pay Executive a salary at the rate of $275,000 per annum during the Employment Period, payable in accordance with the Company's normal payroll process (and such amount paid by the Company shall be referred to herein as "Salary").

(b) Profit Bonus. Executive shall be eligible to receive a profit bonus in an amount equal to no less than 20% of Salary, to reflect the Executive's individual contribution to the Company's profits for the fiscal year, as determined in the sole discretion of the Board of Directors. The Profit Bonus, if any, shall be paid on the date following the date that the Company's completed consolidated financial statements for the 2007 calendar year are issued, but in no event later than June 30, 2008.

(c) Special Bonus. It is understood and agreed that the Company intends to adopt a 2007 Share Incentive Plan (the "Plan"). Executive shall be granted options to purchase under the Plan 75,000 shares of the Company's common shares, subject to the terms and conditions of the Plan and respective award agreement. Such share options will be incentive share options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent permitted by law. Twenty-five percent of the options will become exercisable on the first anniversary of the date that the options are granted, with an additional 6.25% of the options vesting each quarter thereafter based on Executive's continued employment, and will expire ten years after the date of grant.

(d) Executive shall also be entitled to the following benefits:

(i) two and one-half (2 ½) weeks of paid vacation for the Employment Period, or such greater period as may be approved from time to time by Board of Directors to be taken at times mutually convenient to Executive and the Company. Compensation shall not be provided in lieu of unused vacation time;

(ii) paid holidays and any and all other work-related leave (whether sick leave or otherwise) as provided to the Company's other executive employees; and

(iii) Executive will participate in such benefit schemes to which executive employees of the Company, their dependents and beneficiaries generally are entitled during the Employment Period, including, without limitation, medical, dental, disability, life, retirement and other present or successor plans and practices of Company for which executive employees, their dependents and beneficiaries are eligible.

4. Reimbursement of Expenses. The Company recognizes that Executive, in performing Executive's functions, duties and responsibilities under this Agreement, may be required to spend sums of money in connection with those functions, duties and responsibilities for the benefit of the Company and, accordingly, shall reimburse Executive for travel and other out-of-pocket expenses reasonably and necessarily incurred in the performance of his functions, duties and responsibilities hereunder upon submission of written statements and/or bills in accordance with the regular procedures of the Company in effect from time to time.

5. Termination By Company for Cause. The Company may discharge Executive for Cause at any time. Cause shall include (i) a material breach of this Agreement by Executive, but only if such material breach is not cured within thirty (30) days following written notice by the Company to Executive of such breach, assuming such breach may be cured; (ii) Executive is convicted of any act or course of conduct involving moral turpitude; or (iii) Executive engages in any willful act or willful course of conduct constituting an abuse of office or authority which significantly and adversely affects the business or reputation of the Company. No act, failure to act or course of conduct on Executive's part shall be considered willful unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action, omission or course of conduct was in the Company's best interests. Any written notice by the Company to Executive pursuant to this Clause 5 shall set forth, in reasonable detail, the facts and circumstances claimed to constitute the Cause. If Executive is discharged for Cause, the Company, without any limitations on any remedies it may have at law or equity, shall have no liability for Salary or any other compensation and benefits to Executive after the date of such discharge.

6. Non-Disclosure of Confidential Information. "Confidential Information" means all information known by Executive about the Company's business plans, present or prospective customers, vendors, products, processes, services or activities, including the costing and pricing of such services or activities, employees, agents and representatives. Confidential Information does not include information generally known, other than through breach of a confidentiality agreement with the Company, in the industry in which the Company engages or may engage. Executive will not, while this Agreement is in effect or after its termination, directly or indirectly, use or disclose any Confidential Information, except in the performance of Executive's duties for the Company, or to other persons as directed by the Board of Directors. Executive will use reasonable efforts to prevent unauthorized use or disclosure of Confidential Information. Upon termination of employment with the Company, Executive will deliver to the Company all writings relating to or containing Confidential Information, including, without limitation, notes, memoranda, letters, electronic data, drawings, diagrams, and printouts, as well as any tapes, discs, flash drives or other forms of recorded information. If Executive violates any provision of this Clause 6 while this Agreement is in effect or after termination, the Company specifically reserve the right, in appropriate circumstances, to seek full indemnification from Executive should the Company suffer any monetary damages or incur any legal liability to any person as a result of the disclosure or use of Confidential Information by Executive in violation of this Clause 6.

7. Restrictive Covenant.

(a) Prohibited Activities. Executive agrees that he shall not (unless he has received the prior written consent of the Company), during the Employment Period and the period beginning on the date of termination of employment and ending three (3) years thereafter (together, the "Restriction Period"), directly or indirectly, for any reason, for his own account or on behalf of or together with any other person or firm:

(i) hire or solicit for employment or call on, directly or indirectly, through any person or firm, any senior employee who is at that time (or at any time during the one year prior thereto) employed by or representing the Company or its affiliates with the purpose or intent of attracting that senior employee from the employ or representation of the Company or its affiliates;

(ii) call on, solicit or perform services for, directly or indirectly through any person or firm, any person or firm that at that time is, or at any time within the one year prior to that time was, a customer of the Company or its affiliates with whom Executive had dealings, for the purpose of soliciting or selling any product or service in competition with the Company or its affiliates; or

(iii) call on, directly or indirectly through any person or firm, any entity which has been called on by the Company or an affiliate in connection with a possible acquisition by the Company or an affiliate with the knowledge of that entity's status as such an acquisition candidate, for the purpose of acquiring that entity or arranging the acquisition of that entity by any person or firm other than the Company or the affiliate.

(b) Damages. Because of (i) the difficulty of measuring economic losses to the Company as a result of any breach by Executive of the covenants in Clause 7(a), and (ii) the immediate and irreparable damage which could be caused to the Company for which they would have no other adequate remedy, Executive agrees that the Company may enforce the provisions of Clause 7(a) by injunction and restraining order against Executive if he breaches any of said provisions, without the necessity of providing a bond or other security.

(c) Reasonable Restraint. The parties hereto agree that Clauses 7(a) and 7(b) impose a reasonable restraint on Executive in light of the activities and business of the Company on the date hereof and the current business plans of the Company.

8. Ownership of Inventions. Executive shall promptly disclose in writing to the Board of Directors all inventions, discoveries, and improvements conceived, devised, created, or developed by Executive in connection with his employment (collectively, "Invention"), and Executive shall transfer and assign to the Company all right, title and interest in and to any such Invention, including any and all domestic and foreign patent rights, domestic and foreign copyright rights therein, and any renewal thereof. Such disclosure is to be made promptly after the conception of each Invention, and each Invention is to become and remain the property of the Company, whether or not patent or copyright applications are filed thereon by the Company. Upon request of the Company, Executive shall execute from time to time during or after the termination of employment such further instruments including, without limitation, applications for patents and copyrights and assignments thereof as may be deemed necessary or desirable by the Company to effectuate the provisions of this Clause 8.

9. Construction. If the provisions of Clause 7 should be deemed unenforceable, invalid, or overbroad in whole or in part for any reason, then any court of competent jurisdiction designated in accordance with Clause 11 is hereby authorized, requested, and instructed to reform such Clause 7 to provide for the maximum competitive restraint upon Executive's activities (in time, product, geographic area and customer or employee solicitation) which shall then be legal and valid.

10. Damages and Jurisdiction. Executive agrees that violation of or threatened violation of Clauses 6, 7 or 8 would cause irreparable injury to the Company for which any remedy at law would be inadequate, and the Company shall be entitled in any court of law or equity of competent jurisdiction to preliminary, permanent and other injunctive relief against any breach or threatened breach of the provisions contained in Clauses 6, 7 or 8 hereof, without providing bond or other security, and such compensatory damages as shall be awarded. Further, in the event of a violation of the provisions of Clause 7, the Restriction Period referred to therein shall be extended for a period of time equal to the period that any violation occurred.

11. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of Bermuda, without giving effect to the principles of conflict of laws thereof. The Company and Executive hereby each consents to the exclusive jurisdiction of the Bermuda courts with respect to any dispute arising under the terms of this Agreement and further consents that any process or notice of motion therewith may be served by certified or registered mail or personal service, within or without Bermuda, provided a reasonable time for appearance is allowed. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury with respect to any litigation directly or indirectly arising out of or relating to this Agreement, or the breach, termination or validity of this Agreement, or the transactions contemplated by this Agreement. The parties further agree that any judgment, order or injunction granted by any court within Bermuda shall be enforceable in any jurisdiction in which the Company or its affiliates do business.

12. Indemnification. To the fullest extent permitted by, and subject to, the Company's Certificates of Incorporation and By-laws, the Company shall indemnify and hold harmless Executive against any losses, damages or expenses (including reasonable attorney's fees) incurred by him or on his behalf in connection with any threatened or pending action, suit or proceeding in which he is or becomes a party by virtue of his employment by the Company or any affiliates or by reason of his having served as an officer or director of the Company or any other corporation at the express request of the Company, or by reason of any action alleged to have been taken or omitted in such capacity.

13. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, that determination will not affect the enforceability of any other provision of this Agreement, and the remaining provisions of this Agreement will be valid and enforceable according to their terms.

14. Withholding. Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under any applicable Federal, State or local or non-U.S. employment or income tax laws or similar statutes or other provisions of law then in effect.

15. Successors to Company. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of Executive and Executive's personal representatives, and the Company and any successor or assign of the Company, including, without limitation, any corporation acquiring, directly or indirectly, all or substantially all of the assets of the Company, whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed embraced within the term "Company" for the purposes of this Agreement), but shall not otherwise be assignable by the Company. The services to be provided by Executive hereunder may not be delegated nor may Executive assign any of his rights hereunder.

16. No Restrictions. Executive represents and warrants that as of the Effective Date of this Agreement, Executive will not be subject to any contractual obligations or other restrictions, including, but not limited to, any covenant not to compete, that could interfere in any way with his employment hereunder.

17. Miscellaneous.

(a) This Agreement constitutes the entire understanding of the parties with respect to the subject hereof and may be modified only in writing.

(b) If Executive should die while any amount would still be payable to him under this Agreement if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's estate or legal representative.

(c) The failure of any of the parties hereto to enforce any provision hereof on any occasion shall not be deemed to be a waiver of any provision or succeeding breach of such provision or any other provision.

(d) All notices under this Agreement shall be given by registered or certified mail, return receipt requested, directed to parties at the following addresses or to such other addresses as the parties may designate in writing:

If to the Company:

Maiden Holdings, Ltd.
7 Reid Street
Hamilton HM 12 Bermuda
Attention: Secretary

If to Executive:

Bentzion S. Turin
10 West 87th St., Apt. 1B
New York, NY 10024

(e) In furtherance and not in limitation of the foregoing, this Agreement supersedes any employment agreement between the Company and Executive, written or oral, and any such agreement hereby is terminated and is no longer binding on either party.

18. Key Man Insurance Authorization. At any time during the term of this Agreement, the Company will have the right (but not the obligation) to insure the life of Executive for the sole benefit of the Company and to determine the amount of insurance and type of policy. The Company will be required to pay all premiums due on such policies. Executive will cooperate with the Company in taking out the insurance by submitting to physical examination, by supplying all information required by the insurance company, and by executing all necessary documents. Executive, however, will incur no financial obligation by executing any required document, and will have no interest in any such policy.

19. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed to be duplicate originals.

MAIDEN HOLDINGS, LTD.

By: /s/ Max G. Caviet

Max G. Caviet,
President, Chief Executive Officer and Director

/s/ Bentzion S. Turin

Bentzion S. Turin

MAIDEN HOLDINGS, LTD. 2007 SHARE INCENTIVE PLAN

1. Preamble.

Maiden Holdings, Ltd., a Bermuda company, hereby establishes the Maiden Holdings, Ltd. 2007 Share Incentive Plan as a means whereby the Company may, through awards of (i) incentive share options, (ii) non-qualified share options and (iii) restricted shares:

(a) provide selected officers, directors, employees and consultants with additional incentive to promote the success of the Company's business;

(b) encourage such persons to remain in the service of the Company; and

(c) enable such persons to acquire proprietary interests in the Company.

2. Definitions and Rules of Construction.

2.01 "Award" means the grant of Options and/or Restricted Shares to a Participant.

2.02 "Award Date" means the date upon which an Option or Restricted Share is awarded to a Participant under the Plan.

2.03 "Board" or "Board of Directors" means the board of directors of the Company.

2.04 "Cause" shall mean any willful misconduct by the Participant which affects the business reputation of the Company or willful failure by the Participant to perform his or her material responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company or any Subsidiary). The Participant shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Participant's resignation, that discharge for Cause was warranted.

2.05 "Change of Control" shall be deemed to have occurred on the first to occur of any of the following:

(i) any "person" (as such term is used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934), other than any Subsidiary or any employee benefit plan of the Company or a Subsidiary or former Subsidiary, is or becomes a beneficial owner, directly or indirectly, of shares of the Company representing 25% or more of the total voting power of the Company's then outstanding shares;

(ii) a tender offer (for which a filing has been made with the SEC which purports to comply with the requirements of Section 14(d) of the Securities Exchange Act of 1934 and the corresponding SEC rules) is made for the shares of the Company. In case of a tender offer described in this paragraph (ii), the "Change of Control" will be deemed to have occurred upon the first to occur of (A) any time during the offer when the person (using the definition in (i) above) making the offer owns or has accepted for payment shares of the Company with 25% or more of the total voting power of the Company's outstanding shares or (B) three business days before the offer is to terminate unless the offer is withdrawn first, if the person making the offer could own, by the terms of the offer plus any shares owned by this person, shares with 50% or more of the total voting power of the Company's outstanding shares when the offer terminates; or

(iii) individuals who were the Board's nominees for election as directors of the Company immediately prior to a meeting of the shareholders of the Company involving a contest for the election of directors shall not constitute a majority of the Board following the election.

2.06 "Code" means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

2.07 "Committee" means two or more directors elected by the Board of Directors from time to time; provided, however, that in the absence of an election by the Board, the Committee shall mean the Compensation Committee of the Board of Directors, or if there is no such Committee, then the Board of Directors.

2.08 "Company" means Maiden Holdings, Ltd., a Bermuda company, and any successor thereto.

2.09 "Exchange Act" shall mean the United States Securities Exchange Act of 1934, as it exists now or from time to time may hereafter be amended.

2.10 "Fair Market Value" shall be as determined in good faith by the Committee or the Board until such time as the Ordinary Shares are quoted or listed on the NASDAQ Stock Market System or a national securities exchange. Thereafter, Fair Market Value shall be the closing sale price on such market for the Ordinary Shares on the date of the Award.

2.11 "Good Reason" shall mean any of the following:

(i) any significant diminution in the Participant's title, authority, or responsibilities from and after a Change of Control;

(ii) any reduction in the base compensation payable to the Participant from and after a Change of Control; or

(iii) the relocation after a Change of Control of the Company's place of business at which the Participant is principally located to a location that is greater than 50 miles from the site immediately prior to the Change of Control.

2.12 “ISO” means an incentive share option which is intended to qualify as an incentive stock option within the meaning of section 422 of the Code.

2.13 “NSO” means a non-qualified share option, which is not intended to qualify as an incentive stock option under section 422 of the Code.

2.14 “Option” means the right of a Participant, whether granted as an ISO or an NSO, to purchase a specified number of Ordinary Shares, subject to the terms and conditions of the Plan.

2.15 “Option Price” means the price per Ordinary Share at which an Option may be exercised.

2.16 "Ordinary Shares" means the $0.01 par value ordinary shares of the Company.

2.17 “Participant” means an individual to whom an Award has been granted under the Plan.

2.18 “Plan” means the Maiden Holdings, Ltd. 2007 Share Incentive Plan, as set forth herein and from time to time amended.

2.19 “Restricted Shares” means the Ordinary Shares awarded to a Participant pursuant to Section 8 of this Plan.

2.20 “Subsidiary” means any entity during any period which the Company owns or controls more than 50% of (i) the outstanding capital shares, or (ii) the combined voting power of all classes of shares.

2.21 Rules of Construction:

2.21.1 Governing Law and Venue. The construction and operation of this Plan are governed by the laws of Bermuda without regard to any conflicts or choice of law rules or principles that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

2.21.2 Undefined Terms. Unless the context requires another meaning, any term not specifically defined in this Plan is used in the sense given to it by the Code.

2.21.3 Headings. All headings in this Plan are for reference only and are not to be utilized in construing the Plan.

2.21.4 Conformity with Section 422. Any ISOs issued under this Plan are intended to qualify as incentive stock options described in section 422 of the Code, and all provisions of the Plan relating to ISOs shall be construed in conformity with this intention. Any NSOs issued under this Plan are not intended to qualify as incentive stock options described in section 422 of the Code, and all provisions of the Plan relating to NSOs shall be construed in conformity with this intention.

2.21.5 Gender. Unless clearly inappropriate, all nouns of whatever gender refer indifferently to persons or objects of any gender.

2.21.6 Singular and Plural. Unless clearly inappropriate, singular terms refer also to the plural and vice versa.

2.21.7 Severability. If any provision of this Plan is determined to be illegal or invalid for any reason, the remaining provisions are to continue in full force and effect and to be construed and enforced as if the illegal or invalid provision did not exist, unless the continuance of the Plan in such circumstances is not consistent with its purposes.

3. Shares Subject to the Plan.

Subject to adjustment as provided in Section 11 hereof, the aggregate number of Ordinary Shares for which Awards may be issued under this Plan may not exceed 2,800,000 shares, of which only 700,000 shares may be issued as Restricted Share Awards. Reserved shares shall be authorized but unissued shares. If any Award shall terminate or expire, as to any number of Ordinary Shares, new Awards may thereafter be awarded with respect to such shares. Notwithstanding the foregoing, the total number of Ordinary Shares with respect to which Awards may be granted to any Participant in any calendar year shall not exceed 500,000 shares (subject to adjustment as provided in Section 11 hereof).

4. Administration.

The Committee shall administer the Plan. All determinations of the Committee are made by a majority vote of its members. The Committee's determinations are final and binding on all Participants. In addition to any other powers set forth in this Plan, the Committee has the following powers:

(a) to construe and interpret the Plan;

(b) to establish, amend and rescind appropriate rules and regulations relating to the Plan;

(c) subject to the terms of the Plan, to select the individuals who will receive Awards, the times when they will receive them, the number of Options and Restricted Shares to be subject to each Award, the Option Price, the vesting schedule (including any performance targets to be achieved in connection with the vesting of any Award), the expiration date applicable to each Award and other terms, provisions and restrictions of the Awards (which need not be identical) and subject to Section 16 hereof, to amend or modify any of the terms of outstanding Awards;

(d) to contest on behalf of the Company or Participants, at the expense of the Company, any ruling or decision on any matter relating to the Plan or to any Awards;

(e) generally, to administer the Plan, and to take all such steps and make all such determinations in connection with the Plan and the Awards granted thereunder as it may deem necessary or advisable; and

(f) to determine the form in which tax withholding under Section 14 of this Plan will be made (i.e., cash, Ordinary Shares or a combination thereof).

Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

5. Eligible Participants.

Present and future directors, officers, employees and consultants of the Company or any Subsidiary shall be eligible to participate in the Plan. The Committee from time to time shall select those officers, directors and employees of the Company and any Subsidiary of the Company who shall be designated as Participants and shall designate in accordance with the terms of the Plan the number, if any, of ISOs, NSOs, and Restricted Shares or any combination thereof, to be awarded to each Participant.

6. Terms and Conditions of Non-Qualified Share Options.

Subject to the terms of the Plan, the Committee, in its discretion, may award an NSO to any Participant. Each NSO shall be evidenced by an agreement, in such form as is approved by the Committee, and except as otherwise provided by the Committee in such agreement, each NSO shall be subject to the following express terms and conditions, and to such other terms and conditions, not inconsistent with the Plan, as the Committee may deem appropriate:

6.01 Option Period. Each NSO will expire as of the earliest of:

(i) the date on which it is forfeited under the provisions of Section 10.1;

(ii) 10 years from the Award Date;

(iii) in the case of a Participant who is an employee of the Company or a Subsidiary, three months after the Participant's termination of employment with the Company and its Subsidiaries for any reason other than for Cause or death or total and permanent disability;

(iv) in the case of a Participant who is a member of the board of directors of the Company or a Subsidiary, but not an employee of the Company or a Subsidiary, three months after the Participant's retirement from such board for any reason other than for Cause or death or total and permanent disability or the sale, merger or consolidation, or similar extraordinary transaction involving the Company or Subsidiary, as the case may be;

(v) immediately upon the Participant's termination of employment with the Company and its Subsidiaries or service on the board of directors of the Company or a Subsidiary for Cause;

(vi) 12 months after the Participant's death or total and permanent disability; or

(vii) any other date specified by the Committee when the NSO is granted.

6.02 Option Price. The Option Price of any NSO shall be determined by the Committee at the time the NSO is granted, and shall be no less than 100% of the Fair Market Value of the Ordinary Shares subject to the NSO on the Award Date.

6.03 Vesting. Unless otherwise determined by the Committee and set forth in the agreement evidencing an Award, NSO Awards shall vest in accordance with Section 10.1.

6.04 Other Option Provisions. The form of NSO authorized by the Plan may contain such other provisions as the Committee may from time to time determine.

7. Terms and Conditions of Incentive Share Options.

Subject to the terms of the Plan, the Committee, in its discretion, may award an ISO to any employee of the Company or a Subsidiary. Each ISO shall be evidenced by an agreement, in such form as is approved by the Committee, and except as otherwise provided by the Committee, each ISO shall be subject to the following express terms and conditions and to such other terms and conditions, not inconsistent with the Plan, as the Committee may deem appropriate:

7.01 Option Period. Each ISO will expire as of the earliest of:

(i) the date on which it is forfeited under the provisions of Section 10.1;

(ii) 10 years from the Award Date, except as set forth in Section 7.02 below;

(iii) immediately upon the Participant's termination of employment with the Company and its Subsidiaries for Cause;

(iv) three months after the Participant's termination of employment with the Company and its Subsidiaries for any reason other than for Cause or death or total and permanent disability;

(v) 12 months after the Participant's death or total and permanent disability; or

(vi) any other date (within the limits of the Code) specified by the Committee when the ISO is granted.

Notwithstanding the foregoing provisions granting discretion to the Committee to determine the terms and conditions of ISOs, such terms and conditions shall meet the requirements set forth in section 422 of the Code or any successor thereto.

7.02 Option Price and Expiration. The Option Price of any ISO shall be determined by the Committee at the time an ISO is granted, and shall be no less than 100% of the Fair Market Value of the Ordinary Shares subject to the ISO on the Award Date; provided, however, that if an ISO is granted to a Participant who, immediately before the grant of the ISO, beneficially owns shares representing more than 10% of the total combined voting power of all classes of shares of the Company or its parent or subsidiary corporations, the Option Price shall be at least 110% of the Fair Market Value of the Ordinary Shares subject to the ISO on the Award Date and in such cases, the exercise period specified in the Option agreement shall not exceed five years from the Award Date.

7.03 Vesting. Unless otherwise determined by the Committee and set forth in the agreement evidencing an Award, ISO Awards shall vest in accordance with Section 10.1.

7.04 Other Option Provisions. The form of ISO authorized by the Plan may contain such other provisions as the Committee may, from time to time, determine; provided, however, that such other provisions may not be inconsistent with any requirements imposed on incentive stock options under Code section 422 and the regulations thereunder.

8. Terms and Conditions of Restricted Share Awards.

Subject to the terms of the Plan, the Committee, in its discretion, may award Restricted Shares to any Participant at no additional cost to the Participant. Each Restricted Share Award shall be evidenced by an agreement, in such form as is approved by the Committee, and all Ordinary Shares awarded to Participants under the Plan as Restricted Shares shall be subject to the following express terms and conditions and to such other terms and conditions, not inconsistent with the Plan, as the Committee shall deem appropriate:

(a) Restricted Period. Restricted Shares awarded under this Section 8 may not be sold, assigned, transferred, pledged or otherwise encumbered before they vest.

(b) Vesting. Unless otherwise determined by the Committee and set forth in the agreement evidencing an Award, Restricted Share Awards under this Section 8 shall vest in accordance with Section 10.2.

(c) Certificate Legend. Each certificate issued in respect of Restricted Shares awarded under this Section 8 shall be registered in the name of the Participant and shall bear the following (or a similar) legend until such shares have vested:

"The transferability of this certificate and the shares represented hereby are subject to the terms and conditions (including forfeiture) relating to Restricted Shares contained in Section 8 of the Maiden Holdings, Ltd. 2007 Share Incentive Plan and an Agreement entered into between the registered owner and Maiden Holdings, Ltd. Copies of such Plan and Agreement are on file at the principal office of Maiden Holdings, Ltd."

(d) Escrow. Any Restricted Shares issued pursuant to this Section 8 shall be held by the Company in escrow for the benefit of the Participant to whom the Restricted Shares are awarded. Upon vesting, a certificate for the vested shares shall be issued to the participant free of the restrictive legend required by Section 8(c).

9. Manner of Exercise of Options.

To exercise an Option in whole or in part, a Participant (or, after his death, his executor or administrator) must give written notice to the Committee on a form acceptable to the Committee, stating the number of shares with respect to which he intends to exercise the Option. The Company will issue the shares with respect to which the Option is exercised upon payment in full of the Option Price. The Committee may permit the Option Price to be paid in cash or Ordinary Shares held by the Participant having an aggregate Fair Market Value, as determined on the date of delivery, equal to the Option Price. The Committee may also permit the Option Price to be paid by any other method permitted by law, including by delivery to the Committee from the Participant of an election directing the Company to withhold the number of Ordinary Shares from the Ordinary Shares otherwise due upon exercise of the Option having an aggregate Fair Market Value on that date equal to the Option Price. If a Participant pays the Option Price with Ordinary Shares which were received by the Participant upon exercise of one or more ISOs, and such Ordinary Shares have not been held by the Participant for at least the greater of:

(a) two years from the date the ISOs were granted; or

(b) one year after the transfer of the Ordinary Shares to the Participant;

the use of the shares shall constitute a disqualifying disposition and the ISO underlying the shares used to pay the Option Price shall no longer satisfy all of the requirements of Code section 422.

To the extent that an Option is not exercised by a Participant when it becomes initially exercisable, it shall not expire but shall be carried forward and shall be exercisable, on a cumulative basis, until the expiration of the exercise period. No partial exercise may be for less than 100 full Ordinary Shares.

Notwithstanding any other term or provision of the Plan, no Option granted hereunder may be exercised and no Award of Restricted Shares shall take effect, in whole or in part, unless at the time that the Option or Award has vested (i) the Ordinary Shares are quoted or listed on the NASDAQ Stock Market System or other national securities exchange, (ii) there has been a sale of in excess of twenty percent (20%) of its outstanding shares of the Company to persons not affiliated with the Company as the date of the adoption of the Plan, or (iii) all or substantially all of the Company's assets and business have been acquired by another corporation or the Company has been merged or consolidated with another corporation and the Company is not the surviving corporation of such transaction.

10. Vesting.

10.1 Options. A Participant may not exercise an Option until it has become vested. The portion of an Award of Options that is vested depends upon the period that has elapsed since the Award Date. The following schedule applies to any Award of Options under this Plan unless the Committee establishes a different vesting schedule on the Award Date:

Number of Months Since Award Date	Vested Percentage
fewer than 12 months	0.0%
12 months	25.00%
15 months	31.25%
18 months	37.50%
21 months	43.75%
24 months	50.00%
27 months	56.25%
30 months	62.50%
33 months	68.75%
36 months	75.00%
39 months	81.25%
42 months	87.50%
45 months	93.75%
48 months or more	100.00%

Notwithstanding the above schedule, unless otherwise determined by the Committee and set forth in the agreement evidencing an Award, a Participant's Awards shall become fully vested if a Participant's employment with the Company and its Subsidiaries or service on the board of directors of the Company or a Subsidiary is terminated due to: (i) retirement on or after his sixty-fifth birthday; (ii) retirement on or after his fifty-fifth birthday with consent of the Company; (iii) retirement at any age on account of total and permanent disability as determined by the Company; or (iv) death. Unless the Committee otherwise provides in the applicable agreement evidencing an Award or Section 10.3 applies, if a Participant's employment with or service to the Company or a Subsidiary terminates for any other reason, any Awards that are not yet vested are immediately and automatically forfeited.

A Participant's employment shall not be considered to be terminated hereunder by reason of a transfer of his employment from the Company to a Subsidiary, or vice versa, or a leave of absence approved by the Participant's employer. A Participant's employment shall be considered to be terminated hereunder if, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company and its Subsidiaries).

10.2 Restricted Shares. The Committee shall establish the vesting schedule to apply to any Award of Restricted Shares that is not associated with an ISO or NSO granted under the Plan to a Participant, and in the absence of such a vesting schedule, such Award shall vest in accordance with Section 10.1.

10.3 Effect of "Change of Control". Notwithstanding Sections 10.1 and 10.2 above, if within 12 months following a "Change of Control" the employment of a Participant with the Company and its Subsidiaries is terminated, the Board of Directors may vest any Award issued to the Participant, and in the case of an Award other than a Restricted Share Award, such Award shall be fully exercisable for 90 days following the date on which the Participant's service with the Company and its Subsidiaries is terminated, but not beyond the date the Award would otherwise expire but for the Participant's termination of employment.

11. Adjustments to Reflect Changes in Capital Structure.

11.01 Adjustments. If there is any change in the corporate structure or shares of the Company, the Committee shall make any appropriate adjustments, including, but limited to, such adjustments deemed necessary to prevent accretion, or to protect against dilution, in the number and kind of Ordinary Shares with respect to which Awards may be granted under this Plan (including the maximum number of Ordinary Shares with respect to which Awards may be granted under this Plan in the aggregate and individually to any Participant during any calendar year as specified in Section 3) and, with respect to outstanding Awards, in the number and kind of shares covered thereby and in the applicable Option Price. For the purpose of this Section 11, a change in the corporate structure or shares of the Company includes, without limitation, any change resulting from a recapitalization, stock split, share dividend, consolidation, rights offering, separation, reorganization, or liquidation (including a partial liquidation) and any transaction in which Ordinary Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company or another corporation.

11.02 Cashouts. In the event of an extraordinary dividend or other distribution, merger, reorganization, consolidation, combination, sale of assets, split up, exchange, or spin off, or other extraordinary corporate transaction, the Committee may, in such manner and to such extent (if any) as it deems appropriate and equitable make provision for a cash payment or for the substitution or exchange of any or all outstanding Awards or the cash, securities or property deliverable to the holder of any or all outstanding Awards based upon the distribution or consideration payable to holders of Ordinary Shares upon or in respect of such event; provided, however, in each case, that with respect to any ISO, no such adjustment may be made that would cause the Plan to violate section 422 of the Code (or any successor provision).

12. Nontransferability of Awards.

ISOs are not transferable, voluntarily or involuntarily, other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code. During a Participant's lifetime, his ISOs may be exercised only by him. All other Awards (other than an ISO) are transferable by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in the Code. With the approval of the Committee, a Participant may transfer an Award (other than an ISO) for no consideration to or for the benefit of one or more Family Members of the Participant subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Award prior to such transfer. The transfer of an Award pursuant to this Section 12 shall include a transfer of the right set forth in Section 16 hereof to consent to an amendment or revision of the Plan and, in the discretion of the Committee, shall also include transfer of ancillary rights associated with the Award. For purposes of this Section 12, "Family Members" mean with respect to a Participant, any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

13. Rights as Shareholder.

No Ordinary Shares may be delivered upon the exercise of any Option until full payment has been made. A Participant has no rights whatsoever as a shareholder with respect to any shares covered by an Option until the date of the issuance of a share certificate for the shares.

14. Withholding Tax.

The Committee may, in its discretion and subject to such rules as it may adopt, permit or require a Participant to pay all or a portion of the federal, state and local taxes, including FICA and Medicare withholding tax, arising in connection with any Awards by (i) having the Company withhold Ordinary Shares at the minimum rate legally required, (ii) tendering back Ordinary Shares received in connection with such Award or (iii) delivering other previously acquired Ordinary Shares having a Fair Market Value approximately equal to the amount to be withheld.

15. No Right to Employment.

Participation in the Plan will not give any Participant a right to be retained as an employee or director of the Company or its parent or Subsidiaries, or any right or claim to any benefit under the Plan, unless the right or claim has specifically accrued under the Plan.

16. Amendment of the Plan.

The Board, at any time and from time to time, may modify or amend the Plan in any respect, except that without the approval of the shareholders of the Company, the Board may not (a) materially increase the benefits accruing to Participants, (b) increase the maximum number of shares which may be issued under the Plan (except for permissible adjustments provided in the Plan) or (c) materially modify the requirements as to eligibility for participation in the Plan or exercise of an Option. The termination or any modification or amendment of the Plan shall not, without the consent of the Participant, affect the Participant's rights under an Award previously granted to him or her. With the consent of the Participant affected, the Board may amend outstanding option agreements in a manner not inconsistent with the Plan. The Board hereby reserves the right to amend or modify the terms and provisions of the Plan and of any outstanding options under the Plan to the extent necessary to qualify any or all options under the Plan for such favorable United States federal income tax treatment (including deferral of taxation upon exercise) as may be afforded ISO's under Section 422A of the Code or any successor provision of the Code.

17. Conditions Upon Issuance of Shares.

An Option shall not be exercisable and a share of Ordinary Shares shall not be issued pursuant to the exercise of an Option, and Restricted Shares shall not be awarded until and unless the award of Restricted Shares, exercise of such Option and the issuance and delivery of such share pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the United States Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or national securities association upon which the Ordinary Shares may then be listed or quoted, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Ordinary Shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law.

18. Substitution or Assumption of Awards by the Company.

The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Award under the Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under the Plan. Such substitution or assumption shall be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under the Plan if the other company had applied the rules of the Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award shall remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately pursuant to section 424(a) of the Code). In the event the Company elects to grant a new Award rather than assuming an existing option, such new Award may be granted with a similarly adjusted exercise price.

19. Effective Date and Termination of Plan.

19.01 Effective Date. This Plan is effective as of the date of its adoption by the Board of Directors, subject to subsequent approval by the Company's shareholders.

19.02 Termination of the Plan. Unless sooner terminated in accordance with Section 11.02 hereof, the Plan shall terminate upon the earlier of (i) the tenth anniversary of the date of its adoption by the Board or (ii) the date on which all shares available for issuance under the Plan shall have been issued pursuant to the exercise or cancellation of Options granted hereunder and/or the issuance of Restricted Shares. If the date of termination is determined under (i) above, then Options outstanding on such date shall continue to have force and effect in accordance with the provisions of the instruments evidencing such Options.

MAIDEN HOLDINGS, LTD.

Form of Share Option Agreement

1. Grant of Option.

Maiden Holdings, Ltd., a Bermuda Holding company (the "Company"), hereby grants to [ ] (the "Participant") an Option to purchase an aggregate of [ ] Ordinary Shares, $.01 par value, of the Company, at a price of $[ ] per share, purchasable as set forth in and subject to the terms and conditions herein. The date of grant of this Option is [ ] ("Award Date"). This Option has been duly granted by the Company's Board of Directors pursuant to the Company's 2007 Share Incentive Plan (the "Plan") and subject to the terms and provisions thereof. To the extent permissible under the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or any successor thereto, it is intended that [ ] of the Ordinary Shares shall be Incentive Stock Options within the meaning of Section 422 of the Code ("ISOs") and [ ] Ordinary Shares shall be non-qualified options ("NSOs"). Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

2. Exercise of Option and Provisions for Termination.

(a) Except as otherwise provided herein and subject to the right of cumulation provided herein, this Option may be exercised, prior to the 10th anniversary of the Award Date, as to not more than the following number of shares covered by this option during the respective periods set forth below:

Number of Months From Award Date	Vested Percentage	Number of ISO Shares	Number of NSO Shares
0 up to 12	[ ]%	[ ]	[ ]
12 up to 15	[ ]%	[ ]	[ ]
15 up to 18	[ ]%	[ ]	[ ]
18 up to 21	[ ]%	[ ]	[ ]
21 up to 24	[ ]%	[ ]	[ ]
24 up to 27	[ ]%	[ ]	[ ]
27 up to 30	[ ]%	[ ]	[ ]
30 up to 33	[ ]%	[ ]	[ ]
33 up to 36	[ ]%	[ ]	[ ]
36 up to 39	[ ]%	[ ]	[ ]
39 up to 42	[ ]%	[ ]	[ ]
42 up to 45	[ ]%	[ ]	[ ]
45 up to 48	[ ]%	[ ]	[ ]
48 through 10th Anniversary of Award Date	[ ]%	[ ]	[ ]

(b) The right of exercise provided herein shall be cumulative so that if the Option were not exercised to the maximum extent permissible during any such period it shall be exercisable, in whole or in part, with respect to all shares not so purchased at any time during any subsequent period prior to the expiration or termination of this Option. This Option may not be exercised at any time after the 10th anniversary of the Award Date.

(c) Subject to the terms and conditions hereof, this Option shall be exercisable by Participant giving written notice of exercise to the Company on a form acceptable to the Company, specifying the number of shares to be purchased and the purchase price to be paid therefore and accompanied by payment in accordance with Section 3 hereof. Such exercise shall be effective upon receipt by the Treasurer of the Company of the written notice together with the required payment. Participant shall be entitled to purchase fewer than the number of shares purchasable hereunder at the date of exercise, provided that no partial exercise of this Option shall be for fewer than 100 shares.

(d) This Option shall become fully vested if Participant's employment is terminated due to: (i) retirement on or after the Participant's sixty-fifth birthday; (ii) retirement on or after the Participant's fifty-fifth birthday with the consent of the Company; (iii) retirement at any age on account of total and permanent disability as determined by the Company; or (iv) death.

(e) In the event that Participant's employment with the Company is terminated within twelve months of a Change of Control (as defined in the Plan), the Participant may exercise any portion of the Option which the Board of Directors, in accordance with the Plan, deems to be vested as of the termination date, for a period of ninety days following the date of such termination, but not beyond the 10th anniversary of the Award Date.

(f) Except as provided in Subsections (d) and (e), this Option shall terminate immediately if Participant's employment is terminated for any reason; provided, however, that except in the event of termination for Cause, death or total and permanent disability, any portion of this Option which was otherwise exercisable on the date of termination of such employment may be exercised within the three-month period following the date of such termination, but in no event after the 10th anniversary of the Award Date. Any such exercise may be made only to the extent of the number of shares subject to this Option, which are purchasable upon the date of such termination.

(g) In the event of death or total and permanent disability, this Option shall be exercisable within twelve months of the date of death or such disability by the Participant or, if applicable, by Participant's personal representatives, heirs or legatees, to the same extent that Participant could have exercised this Option on the date of death or such disability.

3. Payment of Purchase Price.

(a) Payment of the Option Price for shares purchased upon exercise of this Option shall be made by delivery to the Company of cash or check payable to the order of the Company in an amount equal to the Option Price of such shares or, within the sole discretion of the Company, any other method of payment permitted by law, including, but not limited to, delivery of Ordinary Shares of the Company having an aggregate Fair Market Value as determined on the date of delivery equal to the Option Price of such shares.

(b) For purposes, hereof, the Fair Market Value of any shares of the Company's Ordinary Shares to be delivered to the Company in exercise of this Option shall be determined in accordance with the Plan.

(c) If Participant, with the approval of the Company, elects to exercise this Option by delivery of Ordinary Shares of the Company, the certificate or certificates representing the Ordinary Shares of the Company to be delivered shall be duly executed in blank, with signature guaranteed, by Participant or shall be accompanied by a stock power, executed in blank suitable for purposes of transferring such shares to the Company. Fractional Ordinary Shares of the Company will not be accepted in payment of the purchase price of shares acquired upon exercise of this Option.

(d) If a Participant pays the Option Price with Ordinary Shares which were received by the Participant upon exercise of one or more ISOs, and such Ordinary Shares have not been held by the Participant for at least the greater of (i) two years from the date the ISOs were granted or (ii) one year after the transfer of Ordinary Shares to the Participant, the use of such shares shall constitute a disqualifying disposition and the ISO underlying the shares used to pay the Option Price shall no longer satisfy all of the requirements of Section 422 of the Code.

4. Delivery of Shares.

The Company shall, upon payment of the Option Price for the number of shares purchased and paid for, make prompt delivery of such shares to Participant; provided, that if any law or regulation requires the Company to take any action with respect to such shares before the issuance thereof, then the date of delivery of such shares shall be extended for the period necessary to complete such action. No shares shall be issued and delivered upon exercise of this Option unless and until, in the opinion of counsel for the Company, any applicable registration requirements of the Securities Act of 1933, any applicable listing requirements of any national securities exchange on which shares of the same class are then listed, and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, shall have been fully complied with.

5. Non-transferability of Option.

Except as provided in Section 2(g) hereof or pursuant to a qualified domestic relations order, this Option is personal and no rights granted hereunder shall be transferred, assigned, pledged or hypothecated in anyway (whether by operation of law or otherwise) nor shall any such rights be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option or of such rights contrary to the provisions here, or upon the levy of any attachment or similar process upon this Option of such rights, this Option and such rights shall, at the election of the Company, become null and void.

6. Rights as a Shareholder.

Participant shall have no rights as a shareholder with respect to any shares which may be purchased upon exercise of this Option unless and until a certificate or certificates representing such shares are duly issued and delivered to him. Except as otherwise expressly provided herein, no adjustments shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

7. Recapitalization.

If there is any change in the corporate structure or shares of the Company, the Committee (as defined in the Plan) or the Board of Directors shall make any appropriate adjustments, including, but not limited to, such adjustments deemed necessary to prevent accretion, or to protect against dilution, in the number and kind of Ordinary Shares covered by this Option and in the applicable Option Price.

8. Extraordinary Corporate Transaction.

In the event of an extraordinary dividend or other distribution, merger, reorganization, consolidation, combination, sale of assets, split up, exchange or spin off or other extraordinary corporate transaction, the Committee or the Board of Directors may, in such manner and to such extent (if any) as it deems appropriate and equitable make provision for a cash payment or for the substitution or exchange of the Option or the cash, securities or property deliverable to the Participant pursuant to the Option based upon the distribution or consideration payable to holders of Ordinary Shares upon or in respect of such event; provided, however, that no such adjustment may be made that would cause this Option or the Plan to violate Section 422 of the Code (or any successor provision).

9. Investment Representation, Etc.

(a) Participant represents that any shares purchased upon the exercise of this Option shall be acquired by Participant for his own account for investment and not with a view to or for sale in connection with, any distribution of such shares, nor with any present intention of distributing or selling such shares. Participant further represents that he has made detailed inquiry concerning the Company, that the officers of the Company have made available to Participant any and all written information which Participant has requested, that the officers of the Company have answered to Participant's satisfaction all inquires made by him and that he has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Company's Ordinary Shares and able to bear the economic risk of that investment. By making payment upon exercise of this Option, Participant shall be deemed to have reaffirmed, as of the date of such payment, the representations made in this Section 9.

(b) All share certificates representing Ordinary Shares issued to Participant upon exercise of this Option shall, at the election of the Company, have affixed thereto a legend substantially in the following form:

"The ordinary shares represented by this certificate have not been registered under the Securities Act of 1933 and may not be transferred, sold or otherwise disposed of in the absence of an effective registration statement with respect to the shares evidenced by this certificate, filed and made effective under the Securities Act of 1933, or an opinion of counsel satisfactory to the Company to the effect that registration under such Act is not required."

10. Miscellaneous.

(a) Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

(b) All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their names below or at such other address as may be designated in writing by either of the parties to one another.

(c) Nothing contained herein shall be deemed an undertaking by the Company to continue Participant's employment by the Company which may be terminated at any time at the sole discretion of the Company, except as provided in an employment agreement between the Company and Participant, if any.

(d) This Agreement shall be governed by and construed in accordance with the laws of Bermuda without regard to any conflicts or choice of law rules or principles that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Dated: [ ]

MAIDEN HOLDINGS, LTD.

By _____

Title:

Address: **7 Reid Street**
Hamilton HM 12
Bermuda

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Option and agrees to the terms and conditions thereof.

PARTICIPANT:

Signature_____
[ ]

Date_____

Address:_____
_____
_____

MAIDEN HOLDINGS, LTD.

Form of Share Option Agreement

1. Grant of Option.

Maiden Holdings, Ltd., a Bermuda Holding company (the "Company"), hereby grants to [ ] (the "Participant") an Option to purchase an aggregate of [ ] Ordinary Shares, $.01 par value, of the Company, at a price of $[ ] per share, purchasable as set forth in and subject to the terms and conditions herein. The date of grant of this Option is [ ] ("Award Date"). This Option for non-qualified shares ("NSO") has been duly granted by the Company's Board of Directors pursuant to the Company's 2007 Share Incentive Plan (the "Plan") and subject to the terms and provisions thereof. Any capitalized terms not defined herein shall have the meaning set forth in the Plan.

2. Exercise of Option and Provisions for Termination.

(a) Except as otherwise provided herein and subject to the right of cumulation provided herein, this Option may be exercised, prior to the 10th anniversary of the Award Date, as to not more than the following number of shares covered by this option during the respective periods set forth below:

Number of Months From Award Date	Vested Percentage	Number of NSO Shares
0 up to 12	[ ]%	[ ]
12 through 10th Anniversary of Award Date	[ ]%	[ ]

(b) The right of exercise provided herein shall be cumulative so that if the Option were not exercised to the maximum extent permissible during any such period it shall be exercisable, in whole or in part, with respect to all shares not so purchased at any time during any subsequent period prior to the expiration or termination of this Option. This Option may not be exercised at any time after the 10th anniversary of the Award Date.

(c) Subject to the terms and conditions hereof, this Option shall be exercisable by Participant giving written notice of exercise to the Company on a form acceptable to the Company, specifying the number of shares to be purchased and the purchase price to be paid therefore and accompanied by payment in accordance with Section 3 hereof. Such exercise shall be effective upon receipt by the Treasurer of the Company of the written notice together with the required payment. Participant shall be entitled to purchase fewer than the number of shares purchasable hereunder at the date of exercise, provided that no partial exercise of this Option shall be for fewer than 100 shares.

(d) This Option shall become fully vested if Participant's service on the Board of Directors is terminated due to: (i) retirement on or after the Participant's sixty-fifth birthday; (ii) retirement on or after the Participant's fifty-fifth birthday with the consent of the Company; (iii) retirement at any age on account of total and permanent disability as determined by the Company; or (iv) death.

(e) Except as provided in Subsection (d), this Option shall terminate immediately if Participant's service on the Board of Directors is terminated for any reason; provided, however, that except in the event of termination for Cause, death, total and permanent disability, or the sale, merger or consolidation, or similar extraordinary transaction involving the Company, any portion of this Option which was otherwise exercisable on the date of termination of such service may be exercised within the three-month period following the date of such termination, but in no event after the 10th anniversary of the Award Date. Any such exercise may be made only to the extent of the number of shares subject to this Option, which are purchasable upon the date of such termination.

(f) In the event of death or total and permanent disability, this Option shall be exercisable within twelve months of the date of death or such disability by the Participant or, if applicable, by Participant's personal representatives, heirs or legatees, to the same extent that Participant could have exercised this Option on the date of death or such disability.

3. Payment of Purchase Price.

(a) Payment of the Option Price for shares purchased upon exercise of this Option shall be made by delivery to the Company of cash or check payable to the order of the Company in an amount equal to the Option Price of such shares or, within the sole discretion of the Company, any other method of payment permitted by law, including, but not limited to, delivery of Ordinary Shares of the Company having an aggregate Fair Market Value as determined on the date of delivery equal to the Option Price of such shares.

(b) For purposes, hereof, the Fair Market Value of any shares of the Company's Ordinary Shares to be delivered to the Company in exercise of this Option shall be determined in accordance with the Plan.

(c) If Participant, with the approval of the Company, elects to exercise this Option by delivery of Ordinary Shares of the Company, the certificate or certificates representing the Ordinary Shares of the Company to be delivered shall be duly executed in blank, with signature guaranteed, by Participant or shall be accompanied by a stock power, executed in blank suitable for purposes of transferring such shares to the Company. Fractional Ordinary Shares of the Company will not be accepted in payment of the purchase price of shares acquired upon exercise of this Option.

4. Delivery of Shares.

The Company shall, upon payment of the Option Price for the number of shares purchased and paid for, make prompt delivery of such shares to Participant; provided, that if any law or regulation requires the Company to take any action with respect to such shares before the issuance thereof, then the date of delivery of such shares shall be extended for the period necessary to complete such action. No shares shall be issued and delivered upon exercise of this Option unless and until, in the opinion of counsel for the Company, any applicable registration requirements of the Securities Act of 1933, any applicable listing requirements of any national securities exchange on which shares of the same class are then listed, and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery, shall have been fully complied with.

5. Non-transferability of Option.

This Option is transferable by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order. With the approval of the Committee (as defined in the Plan) or the Board of Directors, Participant may transfer the Option for no consideration to or for the benefit of one or more Family Members of the Participant subject to such limits as the Committee or the Board of Directors may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer.

6. Rights as a Shareholder.

Participant shall have no rights as a shareholder with respect to any shares which may be purchased upon exercise of this Option unless and until a certificate or certificates representing such shares are duly issued and delivered to him. Except as otherwise expressly provided herein, no adjustments shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

7. Recapitalization.

If there is any change in the corporate structure or shares of the Company, the Committee or the Board of Directors shall make any appropriate adjustments, including, but not limited to, such adjustments deemed necessary to prevent accretion, or to protect against dilution, in the number and kind of Ordinary Shares covered by this Option and in the applicable Option Price.

8. Extraordinary Corporate Transaction.

In the event of an extraordinary dividend or other distribution, merger, reorganization, consolidation, combination, sale of assets, split up, exchange or spin off or other extraordinary corporate transaction, the Committee or the Board of Directors may, in such manner and to such extent (if any) as it deems appropriate and equitable make provision for a cash payment or for the substitution or exchange of the Option or the cash, securities or property deliverable to the Participant pursuant to the Option based upon the distribution or consideration payable to holders of Ordinary Shares upon or in respect of such event; provided, however, that no such adjustment may be made that would cause the Plan to violate Section 422 of the United States Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

9. Investment Representation, Etc.

(a) Participant represents that any shares purchased upon the exercise of this Option shall be acquired by Participant for his own account for investment and not with a view to or for sale in connection with, any distribution of such shares, nor with any present intention of distributing or selling such shares. Participant further represents that he has made detailed inquiry concerning the Company, that the officers of the Company have made available to Participant any and all written information which Participant has requested, that the officers of the Company have answered to Participant's satisfaction all inquires made by him and that he has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Company's Ordinary Shares and able to bear the economic risk of that investment. By making payment upon exercise of this Option, Participant shall be deemed to have reaffirmed, as of the date of such payment, the representations made in this Section 0.

(b) All share certificates representing Ordinary Shares issued to Participant upon exercise of this Option shall, at the election of the Company, have affixed thereto a legend substantially in the following form:

> "The ordinary shares represented by this certificate have not been registered under the Securities Act of 1933 and may not be transferred, sold or otherwise disposed of in the absence of an effective registration statement with respect to the shares evidenced by this certificate, filed and made effective under the Securities Act of 1933, or an opinion of counsel satisfactory to the Company to the effect that registration under such Act is not required."

10. Miscellaneous.

(a) Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by the Company and Participant.

(b) All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their names below or at such other address as may be designated in writing by either of the parties to one another.

(c) Nothing contained herein shall be deemed an undertaking by the Company to continue Participant's service on the Board of Directors.

(d) This Agreement shall be governed by and construed in accordance with the laws of Bermuda without regard to any conflicts or choice of law rules or principles that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Dated: [ ]

MAIDEN HOLDINGS, LTD.

By _____

Title:

Address: **7 Reid Street**
Hamilton HM 11
Bermuda

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Option and agrees to the terms and conditions thereof.

PARTICIPANT:

Signature_____
[ ]

Date_____

Address:_____
_____
_____

MASTER AGREEMENT

This Agreement ("Agreement") is made this 3rd day of July, 2007 by and between AmTrust Financial Services, Inc., a Delaware Corporation ("AmTrust"), and Maiden Holdings, Ltd., a Bermuda corporation ("Maiden Holdings").

RECITALS

WHEREAS, Maiden Holdings plans to capitalize Maiden Insurance Company, Ltd., a reinsurance company to be domiciled in Bermuda ("Maiden Insurance") and wholly owned by Maiden Holdings; and

WHEREAS, AmTrust, directly or indirectly, owns Rochdale Insurance Company, a New York corporation ("Rochdale"), Technology Insurance Company, Inc., a New Hampshire corporation ("TIC"), Wesco Insurance Company, a Delaware corporation ("Wesco"), AmTrust International Underwriters, Ltd., a Irish corporation ("AIU"), and IGI Insurance Company, a United Kingdom corporation ("IGI," together with Rochdale, TIC, Wesco, AIU and any additional companies that write direct insurance business as to which AmTrust acquires a majority interest that Maiden Insurance desires to reinsure as contemplated hereby, the "AmTrust Ceding Insurers"), and intends to enter into a strategic reinsurance arrangement with Maiden Insurance; and

WHEREAS, when AmTrust completes its acquisition of Associated Industries Insurance Company, Inc., a Florida corporation ("Associated"), Associated will become an AmTrust Ceding Insurer; and

WHEREAS, concurrently with the execution and delivery of this Agreement, Maiden Insurance is entering into a quota share reinsurance agreement with AIU and IGI, pursuant to which agreement Maiden Insurance will, effective as of 12:01 a.m. on July 1, 2007 (the "Effective Time") and subject to the licensing and capitalization of Maiden Insurance, reinsure 40% of all ultimate net loss each of AIU and IGI incurs as a result of losses under all of their respective workers' compensation, general liability, commercial automobile liability, specialty risk and extended warranty policies and such other types of policies that Maiden Insurance desires to reinsure pursuant to the provisions of any such quota share reinsurance agreement as contemplated by Article I therein; and

WHEREAS, after the Effective Time and the licensing and capitalization of Maiden Insurance, subject to the receipt of regulatory approval, Maiden Holdings plans to cause Maiden Insurance to reinsure 40% of all ultimate net loss each such AmTrust Ceding Insurer incurs as a result of losses under all of its respective workers' compensation, general liability, commercial automobile liability, specialty risk and extended warranty policies (the "Covered Business"), and such other types of policies that Maiden Insurance desires to reinsure pursuant to the provisions of any such quota share reinsurance agreement as contemplated by Article I therein, pursuant to a reinsurance quota share agreement to be entered into by Maiden Insurance and the AmTrust Ceding Insurers; and

WHEREAS, effective as of the Effective Time, but subject to the licensing and capitalization of Maiden Insurance and receipt of all required U.S. state insurance regulatory approvals, Maiden Holdings plans to cause Maiden Insurance to reinsure 40% of all ultimate net loss each of Rochdale, TIC and Wesco incurs as a result of losses pursuant to policies issued by those insurers that cover the Covered Business and such other types of policies that Maiden Insurance desires to reinsure pursuant to the provisions of the such quota share reinsurance agreement as contemplated by Article I therein;

WHEREAS, in connection with such reinsurance agreements, where necessary for an AmTrust Ceding Company to receive credit for reinsurance under applicable law) each of AmTrust and Maiden Holdings intend to cause such AmTrust Ceding Insurers (initially Rochdale, TIC and Wesco) and Maiden Insurance, respectively, to enter into reinsurance trust agreements for the purpose of providing collateral security for the performance by Maiden Insurance of its obligation to the AmTrust Ceding Insurers under the applicable reinsurance agreement; and

WHEREAS, concurrently with the execution and delivery of this Agreement, (i) AII Insurance Management Ltd. and Maiden Insurance are entering into an Asset Management Agreement pursuant to which AmTrust will provide asset management services to Maiden Insurance, and (ii) AII Reinsurance Broker Ltd. and Maiden Insurance are entering into a Reinsurance Brokerage Agreement pursuant to which Maiden Insurance will appoint AII Reinsurance Broker Ltd. as a broker of reinsurance and will pay it a fee in connection with reinsurance ceded to Maiden Insurance by AmTrust's insurance company subsidiaries; and

WHEREAS, Maiden Holdings and AmTrust would like to establish a procedure to provide for the conduct of business with regard to any future opportunities presented to both AmTrust and Maiden Holdings to insure, reinsure or acquire the same book of business;

NOW, THEREFORE, in consideration of the mutual agreements described in this Agreement, AmTrust and Maiden Holdings agree as follows:

ARTICLE I
PURPOSE AND OVERVIEW

1.1 **Overview**. As a result of the contemplated transactions set forth herein, whereby AmTrust is an intended strategic business partner with Maiden Holdings, it is intended that Maiden Holdings will be an organization that on fair and reasonable terms (a) can provide a stable source of reinsurance to the AmTrust Ceding Insurers, and (b) can have a steady source of profitable reinsurance business from the AmTrust Ceding Insurers in its initial years as it establishes itself in the marketplace.

1.2 **Purpose of Agreement**. The purpose of this Agreement is to set forth duties and covenants of AmTrust and Maiden Holdings including:

(a) Duties and covenants of AmTrust and Maiden Holdings to each other after the Effective Time; and

(b) Duties and covenants of AmTrust and Maiden Holdings to each other regarding the establishment of appropriate corporate governance principles to address conflicts of interest and the pursuit of corporate opportunities by each in connection with any opportunities that may be presented to both AmTrust and its subsidiaries and Maiden Holdings and its subsidiaries to insure, reinsure or acquire the same book of business.

1.3 **Agreements Contemplated**. This Agreement contemplates that, in order to effectuate the business goals set forth herein, (a) quota share reinsurance agreements between Maiden Insurance and the AmTrust Ceding Insurers, substantially in the same form as the agreements attached hereto as Exhibit A-1 (applying to Rochdale; TIC; Wesco, upon the closing of AmTrust's acquisition of Associated, Associated and potentially other AmTrust Ceding Insurers from time to time, the "U.S. Reinsurance Agreement") and A-2 (applying to AIU, IGI and potentially other AmTrust Ceding Insurers over time, the "International Reinsurance Agreement") (collectively, the "Reinsurance Agreements"), shall be executed and delivered by the parties and (b) reinsurance trust agreements among Rochdale, TIC and Wesco, as beneficiaries, Maiden Insurance, as grantor, and a trustee, substantially in the same form as the agreements attached hereto as Exhibits B-1, B-2 and B-3 (the "Reinsurance Trust Agreements") shall be executed and delivered by the parties. If AmTrust acquires a majority equity interest in any other insurance company that writes direct business (an "Additional AmTrust Ceding Insurer") and such company writes direct business of a type constituting Covered Business,

1.4 it will cause such Additional AmTrust Ceding Insurer to enter into one of the Reinsurance Agreements (the U.S. Reinsurance Agreement if such Additional AmTrust Ceding Insurer is organized under the laws of the United States, any state thereof, the District of Columbia or any territory or possession of the United States and the International Reinsurance Agreement if such Additional AmTrust Ceding Insurer is organized under the laws of any other jurisdiction). If the direct business written by such Additional AmTrust Ceding Insurer is not of a type constituting Covered Business, AmTrust shall cause such Additional AmTrust Ceding Insurer to offer Maiden Insurance the opportunity to reinsure such business pursuant to the terms of the applicable Reinsurance Agreement, and, if Maiden accepts such offer, will cause such Additional AmTrust Ceding Insurer to enter into one of the Reinsurance Agreements (the U.S. Reinsurance Agreement if such Additional AmTrust Ceding Insurer is organized under the laws of the United States, any state thereof, the District of Columbia or any territory or possession of the United States and International Reinsurance Agreement if such Additional AmTrust Ceding Insurer is organized under the laws of any other jurisdiction).

It is expressly understood by all parties that the parties will act with diligence to cause the U.S. Reinsurance Agreement to become effective as soon as practicable after the Effective Time but that it will require submission to and approval or non-disapproval by all applicable U.S. state insurance regulators before it becomes effective.

1.5 **Good Faith**. Each party agrees that it will negotiate and act in good faith and will take all steps reasonably necessary to carry out the intent of this Agreement and preserve the economic arrangements contemplated hereby, including modifying the Reinsurance Agreements and the Reinsurance Trust Agreements to the extent required to comply with the laws, orders or directives of any insurance regulator having jurisdiction over the parties thereto or negotiating and entering into any other agreements that are reasonable and necessary in order to carry out the intent of the parties.

1.6 **Term**. This Agreement shall be effective upon the Effective Time.

ARTICLE II
TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT

2.1 **Duties of the Parties after the Effective Time**. Maiden Holdings shall cause Maiden Insurance to enter into the Reinsurance Agreements and the Reinsurance Trust Agreements and AmTrust shall cause the AmTrust Ceding Insurers to enter into the Reinsurance Agreements and each of the AmTrust Ceding Insurers contemplated as being parties to a Reinsurance Trust Agreement to enter into the applicable Reinsurance Trust Agreement. If AmTrust acquires a majority equity interest in an Additional AmTrust Ceding Insurer, Maiden Holdings will cause Maiden Insurance, and AmTrust will cause such Additional AmTrust Ceding Insurer, to enter into(i) an amendment to the applicable Reinsurance Agreement to provide for the inclusion of such Additional AmTrust Ceding Insurer and (ii) if a Reinsurance Trust Agreement is required for such Additional AmTrust Ceding Insurer to be given credit for such reinsurance under applicable law, a Reinsurance Trust Agreement in form substantially consistent with the other Reinsurance Trust Agreements but with such modifications as shall be reasonably necessary to comply with the laws of the jurisdiction under which such AmTrust Ceding Company is organized.

2.2 **Corporate Governance Considerations**. Both AmTrust and Maiden Holdings are committed to good corporate governance, compliance with Securities and Exchange Commission and stock exchange listing requirements, adherence to the applicable governing corporate laws, and satisfaction of state regulatory laws regarding insurance holding company structure and related party transactions.

Both AmTrust and Maiden Holdings recognize that because they have large shareholders in common and because AmTrust and Maiden Holdings will initially share members of executive management and boards of directors, activities of each that impact the other will attract special scrutiny from interested parties and demand special scrutiny from AmTrust's and Maiden Holdings' management and boards of directors. Accordingly, each of AmTrust and Maiden Holdings shall require that on any occasion where a business opportunity to insure, reinsure or acquire the same book of business is presented to both AmTrust and Maiden Holdings, each company shall refer such opportunity to a committee of its independent directors to decide whether that company shall pursue the opportunity. A director of Maiden Holdings or AmTrust shall not be considered "independent" unless the board of directors of Maiden Holdings or AmTrust, respectively, determines that such director is independent with respect to both Maiden Holdings and AmTrust under the applicable standards for director independence under the rules of the principal stock exchange on which any securities of Maiden Holdings or AmTrust, respectively, are listed (or, if no securities of such party are listed on any stock exchange, the rules of the NASDAQ Stock Market).

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF AMTRUST

AmTrust hereby represents and warrants to Maiden Holdings the following:

3.1 **Organization and Corporate Power**. AmTrust is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware having all corporate power and authority necessary to own its property and operate its businesses as now conducted. It has all corporate power, authority and legal right necessary to execute and deliver this Agreement and, subject to receipt of the requisite approvals or non-disapprovals of the U.S. Reinsurance Agreement and the Reinsurance Trust Agreements from the applicable insurance regulators, to perform and carry out the transactions contemplated hereby pursuant to the terms and conditions of this Agreement.

3.2 **Authorization and Effect.** This Agreement and the performance of the actions provided for herein have been duly and validly authorized by all necessary corporate action on the part of AmTrust. This Agreement has been executed and delivered by duly authorized and acting officers of AmTrust, and assuming the due authorization, execution and delivery of this Agreement by Maiden Holdings, constitutes a legal, valid and binding obligation of AmTrust enforceable in accordance with its terms, subject to (i) laws relating to bankruptcy, fraudulent conveyances, reorganization, liquidation, moratorium and other similar laws affecting creditor's rights generally, (ii) general principles of equity (regardless whether enforceability is considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy and (v) concepts of comity.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF MAIDEN HOLDINGS

Maiden Holdings hereby represents and warrants to AmTrust the following:

4.1 **Organization and Corporate Power**. Maiden Holdings is a corporation duly organized, validly existing and in good standing under the laws of Bermuda having all corporate power and authority necessary to own its property and operate its businesses as now conducted. It has all corporate power, authority and legal right necessary to execute and deliver this Agreement and, subject to receipt of the requisite approvals or non-disapprovals of the U.S. Reinsurance Agreement and the Reinsurance Trust Agreements from the applicable insurance regulators, to perform and carry out the transactions contemplated hereby pursuant to the terms and conditions of this Agreement.

4.2 **Authorization and Effect.** This Agreement and the performance of the actions provided for herein have been duly and validly authorized by all necessary corporate action on the part of Maiden Holdings. This Agreement has been executed and delivered by duly authorized and acting officers of Maiden Holdings, and assuming the due authorization, execution and delivery of this Agreement by AmTrust, constitutes a legal, valid and binding obligation of Maiden Holdings enforceable in accordance with its terms, subject to (i) laws relating to bankruptcy, fraudulent conveyances, reorganization, liquidation, moratorium and other similar laws affecting creditor's rights generally, (ii) general principles of equity (regardless whether enforceability is considered in a proceeding in equity or at law), (iii) standards of commercial reasonableness and good faith, (iv) public policy and (v) concepts of comity.

ARTICLE V
ADDITIONAL COVANENTS OF THE PARTIES

5.1 **Regulatory Matters.** The parties hereto will cooperate with each other in the preparation and submission of those filings and documents necessary to obtain the permits, consents, approvals, non-disapprovals and authorizations of governmental bodies necessary to consummate the transactions contemplated by this Agreement. AmTrust and Maiden Holdings will furnish the other all information concerning itself and its subsidiaries and such other matters and things as may be necessary, prudent or advisable in connection with any statement or application made by or on behalf of AmTrust or Maiden Holdings to any governmental body in connection with the transactions contemplated herein.

5.2 **Further Assurances.** Subject to the terms and conditions hereof, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement as expeditiously as possible. If at any time further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of the parties hereto shall take all such reasonably necessary action.

ARTICLE VI
CONDITIONS TO THE CONSUMMATION OF TRANSACTIONS

6.1 **General Conditions**. The obligations of the parties to complete the various transactions contemplated by this Agreement shall be subject to the satisfaction of the following terms and conditions, except as otherwise specifically provided herein:

(a) receipt of all necessary regulatory approvals or non-disapprovals, without material or substantial qualification or condition, as are required to consummate the transaction contemplated hereby (except where the failure to obtain any such approval would not render the transaction contemplated hereby illegal or otherwise deprive either party of the material benefits of this Agreement or be materially inconsistent with the conditions set forth above), and such shall remain in full force and effect, and all statutory waiting periods in respect thereof shall have expired; and

(b) neither AmTrust or any of the AmTrust Ceding Insurers, on one hand, nor Maiden Holdings or Maiden Insurance, on the other hand, shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the transaction contemplated hereby, nor shall there be pending a suit or proceeding by any governmental authority which seeks injunctive or other relief in connection with the transaction contemplated hereby.

ARTICLE VII
TERMINATION AND AMENDMENT

7.1 **Termination**. This Agreement may be terminated at any time prior to its expiration:

(a) by the written consent of AmTrust and Maiden Holdings;

(b) by AmTrust if there shall have been any material misrepresentation in this Agreement by Maiden Holdings or any material breach of any covenant of Maiden Holdings hereunder and such breach shall not have been remedied within 30 days after receipt by Maiden Holdings of notice in writing from AmTrust specifying the nature of the breach and requesting such be remedied; and

(c) by Maiden Holdings if there shall have been any material misrepresentation in this Agreement by AmTrust or any material breach of any covenant of AmTrust hereunder and such breach shall not have been remedied within 30 days after receipt by AmTrust of notice in writing from Maiden Holdings specifying the nature of the breach and requesting such be remedied;

provided that the provisions of Section 2.2 shall survive such termination, if, and for so long as, (i) any member of the executive management or board of directors of AmTrust or any person or group of persons acting in concert who beneficially owns (as defined below) voting securities having 10% or more of the voting power of all outstanding voting securities of AmTrust is a member of the executive management or board of directors of Maiden Holdings, (ii) any member of the executive management or board of directors of Maiden Holdings or Maiden Insurance or any person or group of persons acting in concert who beneficially owns voting securities having 10% or more of the voting power of all outstanding voting securities of Maiden Holdings is a member of the executive management of AmTrust, or (iii) any person or group of persons acting in concert beneficially owns voting securities having 10% or more of the voting power of all outstanding voting securities of both Maiden Holdings and AmTrust. “Beneficially owns” shall have the meaning ascribed to such term in Rule 13d-3 under the United States Securities Exchange Act of 1934, as amended.

7.2 **Effect of Termination.** In the event that this Agreement is terminated as provided in Section 7.1 above, this Agreement shall forthwith become void (other than this Section 7.2, and Sections 8.1, 9.1 through 9.3, and 9.5 through 9.11, hereof which shall remain in full force and effect) and there shall be no further liability on the part of AmTrust or Maiden Holdings. Nothing contained in this Section 7.2 shall relieve any party hereto from liability for its breach of this Agreement.

7.3 **Amendment**. At any time during the term of this Agreement, the parties hereto may amend this Agreement. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

ARTICLE VIII
INDEMNIFICATION

8.1 **Indemnification.** Each party to this Agreement shall indemnify the other party against, and hold it harmless from, all losses, damages, and liabilities incurred by such party arising from any material breach of any representation or warranty made herein or of any material failure to fulfill its obligations as set forth in this Agreement by the party against which such indemnification is sought. All representations and warranties and indemnification obligations made in this Agreement shall survive the implementation of the transactions contemplated hereby.

ARTICLE IX
MISCELLANEOUS

9.1 **Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

9.2 **Notices.** Except as may be otherwise provided herein, any notice or other communication or delivery required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, by a nationally recognized overnight courier service or by facsimile as follows, and shall be deemed given when actually received.

(a) if to AmTrust:

AmTrust Financial Services, Inc.
59 Maiden Lane, 6th Floor
New York, New York 10038
Attention: Stephen Ungar
Facsimile: (212) 220-7130

(b) if to Maiden Holdings:

Maiden Holdings, Ltd.
7 Reid Street
Hamilton HM 12 Bermuda
Attention: Ben Turin
Facsimile: (441) 292-5796

With a copy (which shall not constitute notice) to:

LeBoeuf, Lamb, Greene & MacRae LLP
125 West 55th Street
New York, New York 10019
Attention: Matthew M. Ricciardi, Esq.
Facsimile: (212) 649-9483

9.3 **Parties in Interest.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.4 **Survival of Covenants, Representations and Warranties.** The representations and warranties contained herein shall survive throughout the course of the transactions contemplated hereby and may be enforced by the parties hereto. The covenants shall survive according to their individual terms.

9.5 **Counterparts**. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and each of which shall be deemed an original.

9.6 **Headings**. The article and section headings used in this Agreement have been inserted for convenience of reference only and shall not be construed to affect the meaning or interpretation of any provision, term or condition hereof.

9.7 **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws and decisions of the State of New York without giving effect to the principles of conflicts of laws thereof.

9.8 **Entire Agreement; No Third Party Beneficiaries.** This Agreement represents the entire agreement between the parties and supersedes all prior written or oral agreements relating to the transactions contemplated hereby and is not intended to confer upon any person other than the parties any rights or remedies hereunder.

9.9 **Severability of Invalid Provision.** If any one or more covenants or agreements provided in this Agreement should be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall in no way affect the validity of the other provisions of this Agreement.

9.10 **Assignment of Agreement.** This Agreement may not be assigned without the written consent of all parties to it. This Agreement shall insure to the benefit of, and be binding upon, the successors of each party. This Agreement shall be for the sole benefit of the parties to this Agreement and their respective heirs, successors, assigns and legal representatives and is not intended, nor shall be construed, to give any person, other than the parties hereto and their respective heirs, successors, assigns and legal representatives, any legal or equitable right, remedy or claim hereunder.

9.11 **Waiver.** No party to this Agreement shall be deemed to have waived any rights or remedies under this Agreement unless such waiver is expressly made in writing and signed by such party. Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. No single waiver or failure to exercise any right or remedy shall be construed as a waiver of any other right or remedy.

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed by their respective undersigned officers, each thereunto duly authorized.

AMTRUST FINANCIAL SERVICES, INC.

By: /s/ Stephen Ungar
Name: Stephen Ungar
Title: Secretary

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer,
General Counsel and Assistant Secretary

EXHIBIT 10.7

Execution Copy

FIRST AMENDMENT
TO
MASTER AGREEMENT

THIS FIRST AMENDMENT (this "Amendment"), dated and effective as of September 17, 2007, to the Master Agreement (the "Agreement") dated as of July 3, 2007, by and between AmTrust Financial Services, Inc., a Delaware corporation ("AmTrust") and Maiden Holdings, Ltd., a Bermuda corporation ("Maiden Holdings"), is made by and between AmTrust and Maiden Holdings.

RECITALS

WHEREAS, pursuant to Section 7.3 of the Agreement, the parties hereto wish to amend certain provisions of the Agreement in the manner set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND USAGE

1.1 **Definitions.** Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

1.2 **Headings.** The headings contained in this Amendment are for reference purposes only and shall not affect the meaning or interpretation of this Amendment.

ARTICLE II
AMENDMENTS

2.1 The fourth, fifth, sixth and seventh Recitals of the Agreement are hereby deleted in their entirety and replaced with the following:

WHEREAS, after the Effective Time and the licensing and capitalization of Maiden Insurance, subject to the receipt of regulatory approval, Maiden Holdings plans to cause Maiden Insurance to reinsure, pursuant to a Quota Share Reinsurance Agreement between AmTrust International Insurance, Ltd. ("AII") and Maiden Insurance, in the form attached hereto as Exhibit A (the "Reinsurance Agreement"), 40% of all ultimate net loss each such AmTrust Ceding Insurer incurs as a result of losses under all of its respective workers' compensation, general liability, commercial automobile liability, specialty risk and extended warranty policies (the "Covered Business") to the extent reinsured by AII pursuant to existing reinsurance agreements between the AmTrust Ceding Insurers and AII (the "Underlying Reinsurance Agreements"), and such other types of policies that Maiden Insurance desires to reinsure pursuant to the provisions of the Reinsurance Agreement as more particularly set forth in the Reinsurance Agreement, and

2.2 Section 1.3 of the Agreement is hereby amended and restated in its entirety as follows:

1.3 **Agreements Contemplated**.

(a) This Agreement contemplates that, in order to effectuate the business goals set forth herein, Maiden Insurance and AII shall (i) no later than September 17, 2007 , execute and deliver the Reinsurance Agreement and (ii) promptly following the execution hereof negotiate in good faith and execute and deliver a loan agreement on mutually acceptable terms and conditions between Maiden Insurance and AII, provided that such loan agreement shall include the terms and provision set forth in Exhibit B (the "Loan Agreement").

(b) If either party to this Agreement determines in good faith that (i) the mix of business represented by the Covered Business as of the end of any semi-annual period during the term of the Reinsurance Agreement differs materially from (ii) the mix of business represented by the Covered Business reinsured by Maiden Insurance under the Reinsurance Agreement as of the Effective Time, then, upon written notice by such party to the other party hereto, the parties hereto shall cause Maiden Insurance and AII, respectively, to promptly negotiate in good faith appropriate adjustments to the rate of commissions payable under the Reinsurance Agreement.

2.3 Section 1.4 of the Agreement is hereby amended and restated in its entirety as follows:

1.4 **Representations, Warranties and Covenants**. AmTrust hereby represents, warrants and covenants to Maiden that:

(a) AmTrust shall cause AII to enforce its rights and exercise its remedies under the Underlying Reinsurance Agreements on a timely basis and in an arms-length manner;

(b) AmTrust shall cause AII to cede to Maiden Insurance pursuant to the Reinsurance Agreement an amount of premium equal to forty percent (40%) of Affiliate Subject Premium (as defined in the Reinsurance Agreement) with respect to each AmTrust Ceding Insurer as more particularly set forth in the Reinsurance Agreement, unless AII shall no longer be an Affiliate (as defined in the Reinsurance Agreement) of AmTrust or AII shall have become insolvent, or shall have been placed into liquidation or receivership (whether voluntary or involuntary), or there shall have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, or trustee in bankruptcy or other agent known by whatever name, to take possession of its assets or control of its operations (an “AII Insolvency”);

(c) Subject to applicable law, AmTrust shall cause each AmTrust Ceding Insurer, to the extent such AmTrust Ceding Insurer writes Covered Business, to cede to AII not less than forty percent (40%) of Affiliate Subject Premium in accordance with the terms of an Underlying Reinsurance Agreement, unless AII shall no longer be an Affiliate of AmTrust or an AII Insolvency shall have occurred, in which event AmTrust shall either cause each such AmTrust Ceding Insurer, as a cedent, to cede the Subject Premium to (i) Maiden Insurance, as reinsurer, on terms substantially similar to the Reinsurance Agreement mutatis mutandis or (ii) another Affiliate of AmTrust, as a reinsurer, reasonably acceptable to Maiden Insurance, which shall in turn retrocede such Subject Premium to Maiden Insurance on terms substantially similar to the Reinsurance Agreement mutatis mutandis and Maiden Holdings shall cause Maiden Insurance to accept such cession or retrocession.

(d) if an Affiliate writes direct business that is not of a type constituting Covered Business (including direct business that would be Covered Business, except that the retention of such Affiliate as to any one risk under any Policy (as defined in the Reinsurance Agreement) shall be greater than $5,000,000) or AmTrust directly or indirectly acquires an Affiliate after the date of this Agreement that writes direct business of any type, AmTrust shall cause AII to offer Maiden Insurance the opportunity to reinsure forty percent (40%) of such Affiliate's gross written premium, less the cost of inuring reinsurance and other deductions from premium ceded to AII, attributable to such additional business and, if Maiden Insurance accepts such offer within thirty (30) days of such offer, shall cause such Affiliate to reinsure such business to AII pursuant to an Underlying Reinsurance Agreement, which shall in turn cede such business to Maiden Insurance pursuant to and in accordance with the terms of the Reinsurance Agreement, unless AII shall no longer be an Affiliate of AmTrust or an AII Insolvency shall have occurred, in which event AmTrust shall either cause such Affiliate that is a direct writer, as a cedent, or another Affiliate of AmTrust, as retrocedent, reasonably acceptable to Maiden Insurance, to make such offer to Maiden Insurance;

(e) AmTrust shall cause AII and the AmTrust Ceding Insurers to (i) not assign any Underlying Reinsurance Agreement (including without limitation Underlying Reinsurance Agreements entered into after the date hereof) without the prior written consent of Maiden Insurance, such consent to not be unreasonably withheld, (ii) not amend or waive any provision of any Underlying Reinsurance Agreement (or, in the case of Underlying Reinsurance Agreements entered into after the date hereof, agree to any such provision) that could reasonably be expected to affect the definition of Subject Premium or Ultimate Net Loss (both as defined in the Underlying Reinsurance Agreement) or the method of calculation of Subject Premium or Net Ultimate Loss under the Reinsurance Agreement or terms or provisions relating to the timing or manner of payments to Maiden Insurance under the Reinsurance Agreement, or otherwise could reasonably be expected to have a material adverse affect on the financial condition of AII, without the prior written consent of Maiden Insurance, such consent to not be unreasonably withheld;

(f) AmTrust shall cause AII and the AmTrust Ceding Insurers to deliver to Maiden Insurance concurrent copies of all notices delivered under the Underlying Reinsurance Agreements and under each reinsurance trust agreement among AII, an AmTrust Ceding Insurer and a trustee;

(g) AmTrust shall cause the AmTrust Ceding Insurers to permit Maiden Insurance to examine, and make and retain (at Maiden Insurance's expense) copies of, their books and records and to make their executives reasonably available to Maiden Insurance

(h) AmTrust shall cause the AmTrust Ceding Insurers to timely provide to AII all information required for AII to deliver to Maiden Insurance the information required by Article VII of the Reinsurance Agreement;

(i) if an AmTrust Ceding Insurer withdraws Reinsurer Trust Assets (as defined in the Reinsurance Agreement) from a Trust Account (as defined in the Reinsurance Agreement) or draws on a Letter of Credit (as defined in the Reinsurance Agreement) provided by the Reinsurer pursuant to the Reinsurance Agreement, AmTrust shall cause such AmTrust Ceding Insurer to take such steps as are necessary to not commingle Reinsurer Trust Assets or drawings under such Letter of Credit with its own assets or AII's assets, including but not limited to, by maintaining Maiden Insurance's assets in a separately identifiable account, except for purpose of paying claims or other amounts due under the applicable Underlying Reinsurance Agreement; and

(j) AmTrust hereby represents and warrants that AII and the AmTrust Ceding Insurers maintain, as of the date hereof, excess reinsurance coverage with respect to Extra Contractual Obligations and Loss in Excess of Policy Limits (both as defined in the Reinsurance Agreement) pursuant to the reinsurance agreements set forth on Exhibit C hereto, which coverage indemnifies AII and the AmTrust Ceding Insurers, collectively, for: 100% of $9 million excess of $1 million and 90% of $110 million excess of $20 million, respectively. AmTrust shall use commercially reasonable efforts to maintain excess reinsurance providing substantially the same protection as to Extra Contractual Obligations and Loss in Excess of Policy Limits during the term of the Reinsurance Agreement. AmTrust shall notify Maiden Insurance in writing not less than 60 days prior to the date on which any such excess reinsurance is terminated or amended.

2.4 Section 2.1of the Agreement is hereby amended and restated in its entirety as follows:

2.1 **Duties of the Parties after the Effective Time**. If AmTrust acquires a majority equity interest in any other insurance company that writes direct business (an "Additional AmTrust Ceding Insurer") and such company writes direct business of a type constituting Covered Business, AmTrust (i) will cause such Additional AmTrust Additional Ceding Insurer to enter into an Underlying Reinsurance Agreement with AII and (ii) will cause AII to reinsure Covered Business written by such Additional AmTrust Ceding Insurer with Maiden Insurance pursuant to the Reinsurance Agreement, unless AII shall no longer be an Affiliate of AmTrust or an AII Insolvency shall have occurred, in which event AmTrust shall either cause each such Additional AmTrust Ceding Insurer, as cedent, to cede the Subject Premium to (x) Maiden Insurance, as reinsurer, on terms substantially similar to the Reinsurance Agreement mutatis mutandis or (y) another Affiliate of AmTrust, as reinsurer, reasonably acceptable to Maiden Insurance, which shall in turn retrocede such Subject Premium to Maiden Insurance on terms substantially similar to the Reinsurance Agreement mutatis mutandis and Maiden Holdings shall cause Maiden Insurance to accept such cession or retrocession.

2.5 Sections 1.5, 3.1 and 4.1 of the Agreement are hereby amended by replacing references to "Reinsurance Agreements" with "Reinsurance Agreement" and by replacing references to "Reinsurance Trust Agreements" to "Loan Agreement."

2.6 Section 7.1 of the Agreement is hereby amended by deleting the word “and” at the end of subsection (b) thereof, adding to the end of subsection (c) the word “and” and inserting as new subsection (d) following subsection (c) the following:

(d) automatically upon the termination of the Reinsurance Agreement, other than as a result of a Company Change of Control (as defined in the Reinsurance Agreement);

2.7 Section 7.2 of the Agreement is hereby amended and restated in its entirety as follows:

7.2 **Effect of Termination.** In the event that this Agreement is terminated as provided in Section 7.1 above, this Agreement shall forthwith become void (other than this Section 7.2, and Sections 8.1, 9.1 through 9.3, 9.5 through 9.11, and Article X hereof which shall remain in full force and effect) and there shall be no further liability on the part of AmTrust or Maiden Holdings. Nothing contained in this Section 7.2 shall relieve any party hereto from liability for its breach of this Agreement.

2.8 The Agreement is hereby amended by adding thereto a new Article X to read as follows:

10.1 **AmTrust Guarantee.** To induce Maiden Insurance to enter into the Reinsurance Agreement and the Loan Agreement, AmTrust hereby unconditionally, irrevocably and absolutely guarantees to Maiden Insurance the punctual performance and discharge of all the obligations of AII when due and arising under Article XXIII of the Reinsurance Agreement and under the Loan Agreement (the "AII Agreements") at any time and of any kind or nature whatsoever (the “Obligations”); provided, however, that, except as otherwise provided in Section 10.2, it is a condition to AmTrust's liability under this Article X that (i) Maiden Insurance shall have provided AII with written notice that specifies AII’s failure to pay and/or perform the Obligations within any applicable cure period, with a copy to AmTrust, and (ii) AII shall have failed to fully cure such deficient performance and/or payment to Maiden Insurance’s reasonable satisfaction within ten (10) business days after AmTrust’s receipt of such notice. The guarantee set forth in this Article X (“Guarantee”) is a guarantee of timely payment and performance of the Obligations by AmTrust. Maiden Insurance may proceed directly against AmTrust, and AmTrust shall pay and/or perform the Obligations directly to Maiden Insurance, if AII fails to so cure such deficient performance and/or payment within such ten (10) business day period.

10.2 **Scope of Guarantee.** AmTrust hereby agrees that this Guarantee is a continuing guarantee and that AmTrust's obligation to pay and/or perform or cause performance of the Obligations in full shall be unconditional, irrespective of and unaffected by (i) the absence of any action to enforce the same; (ii) the rendering of any judgment against AII or any action to enforce the same; (iii) any waiver, consent, grant of time, forbearance or other indulgence by Maiden Insurance to or for the benefit of AII with respect to Obligations that are not subject to a claim by Maiden Insurance under the Guarantee; (iv) (x) AII becoming insolvent or suspending its business; (y) AII filing a voluntary petition or consenting to an involuntary petition purporting to be pursuant to any reorganization or insolvency law of any jurisdiction or making a general assignment for the benefit of creditors or applying for or consenting to the appointment of a receiver or trustee for a substantial part of its property (collectively, a "Bankruptcy Event"); (v) the genuineness, validity, regularity or enforceability of the Obligations, except to the extent that any lack of genuineness, validity, regularity or enforceability of the Obligations is due to the acts or omissions of Maiden Insurance; (vi) any transaction or series of transactions that results in a change of control of AII; and (vii) subject to the requirement that the Obligations are then due under the AII Agreements, any circumstances that might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety or any other matter that would release a guarantor. In the event of a Company Change of Control, if Maiden Insurance shall not terminate the Reinsurance Agreement in accordance with the terms and provisions of the Reinsurance Agreement, this Guarantee shall automatically terminate and be of no further force and effect.

Notwithstanding anything to the contrary contained in this Article X, in the event of a Bankruptcy Event affecting AII, Maiden Insurance may proceed directly against AmTrust for the payment in full of all Obligations of AII then due and payable. Maiden Insurance shall not be required to file any claim in the event of a Bankruptcy Event, it being understood and agreed that Maiden Insurance's failure so to file and any action taken by a governmental Entity in connection with a Bankruptcy Event shall not diminish or in any way affect AmTrust's obligation to Maiden Insurance under Article X or the timing, amount or recoverability of the Obligations under the Guarantee; provided that if Maiden Insurance shall not so file such a claim, it hereby grants to AmTrust a power of attorney to file on behalf of Maiden Insurance any such claim as shall be reasonably necessary to preserve any subrogation claim that AmTrust may have as a result of the performance of its obligations hereunder. Maiden Insurance agrees to execute any instrument that AmTrust may reasonably request to evidence such power of attorney. AmTrust hereby waives diligence, presentment, demand of payment or any defense, right of set-off or counterclaim that AII may have or assert under the AII Agreements as to the Obligations.

Except for the notice requirements under Section 10.1, which shall not be waived under this Section 10.2, AmTrust further waives any right to require a proceeding first against AII or any other person before proceeding against AmTrust, protest or notice with respect to the Obligations and all demands whatsoever, and covenants that this Guarantee shall not be discharged except by complete payment of the Obligations. This Guarantee shall continue to be effective or be reinstated (to the extent that any payment made is rescinded or must otherwise be restored or returned by Maiden Insurance), as the case may be, if at any time any payment made by AII to Maiden Insurance is rescinded or must otherwise be restored or returned by Maiden Insurance in the event of a Bankruptcy Event, all as though such payment had not been made.

10.3 **Payments.** Payment of amounts to Maiden Insurance under the Guarantee shall be made promptly by AmTrust on demand in writing by wire transfer in immediately available funds to an account or accounts designated by Maiden Insurance. AmTrust shall reimburse Maiden Insurance on demand for all reasonable costs, expenses and charges (including without limitation reasonable fees and charges of legal counsel for Maiden Insurance) incurred by Maiden Insurance in connection with the enforcement of this Guarantee.

ARTICLE III
MISCELLANEOUS

3.1 **Confirmation of the Agreement.** Except as amended by this Amendment, the Agreement remains in full force and effect, without further modification or amendment.

3.2 **Governing Law.** This Amendment shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

3.3 **Counterparts.** This Amendment may be executed in one or more counterparts, and such counterparts together shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

AMTRUST FINANCIAL SERVICES, INC.

By: /s/ Steve Ungar

Name: Steve Ungar
Title: Secretary

MAIDEN HOLDINGS, LTD.

By: /s/ Bentzion S. Turin

Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Assistant Secretary

Exhibit B

Terms of Loan

1. Commitment: During the term of the Reinsurance Agreement, any renewals thereof, and any periods thereafter in which Maiden Insurance remains liable to AII for Covered Business, Maiden Insurance shall make advances under the Loan to AII with respect to each AmTrust Ceding Insurer which AII is obligated to secure in an amount equal to its proportionate share of collateral for AII's Obligations (as defined in the Reinsurance Agreement) to the AmTrust Ceding Insurer, unless in accordance with the Reinsurance Agreement, Maiden Insurance elects to fund or provide for collateral other than through advances under the Loan; provided however that Maiden Insurance shall not be required to make an advance under the Loan if and to the extent that AII shall have failed to perform its obligations to Maiden Insurance (including its payment obligations) under Article XXIII of the Reinsurance Agreement after expiration of any applicable cure period.

2. Use of Proceeds: AII agrees to deposit Loan proceeds in Trust Accounts (as defined in the Reinsurance Agreement) established or to be established for each such AmTrust Ceding Insurer on the same terms as apply to the Trust Account with respect to Reinsurer Trust Assets (as defined in the Reinsurance Agreement).

3. Interest: An amount equal to the actual amount of dividends, interest and other income earned on the portion of the Loan proceeds with respect to an AmTrust Ceding Insurer deposited in the Trust Accounts and, to the extent so transferred, Loan proceeds held by an AmTrust Ceding Insurer in a segregated account as described in Sections C(5)(d) or D(4) of Article XXIII of the Reinsurance Agreement. To the extent that the sum of principal amount of such proceeds (including the undistributed earnings and interest thereon) and the Aggregate Collateral Value (as defined in the Reinsurance Agreement) with respect to such AmTrust Ceding Insurer exceeds the Reinsurer's proportionate share of the Obligations to such AmTrust Ceding Insurer, such earnings and interest will be paid quarterly, less any amounts due and payable (i) by Maiden Insurance under the Reinsurance Agreement or the Asset Management Agreement (as defined in the Reinsurance Agreement) or (ii) to any Trustee (as defined in the Reinsurance Agreement with respect to loan proceeds deposited into a Trust Account. AII agrees that all Loan proceeds, including those deposited into a Trust Account or held in a segregated account, as described above, will be managed for AII by AII Insurance Management, Ltd. ("AIM") in accordance the terms of and pursuant to the Asset Management Agreement dated July 3, 2007 entered into by Maiden Insurance and AIM (the "Asset Management Agreement") and invested in accordance with the investment guidelines established pursuant to the Asset Management Agreement. AII and Maiden Insurance agree that, pursuant to the Loan, AIM will acknowledge and agree to such management of the Loan proceeds.

4. Maturity: Each Loan advance shall mature on the earliest to occur of (i) ten (10) years following the date such advance was made with respect to an AmTrust Ceding Insurer, (ii) there are no further Obligations due to such AmTrust Ceding Insurer or (iii) AII is no longer required to secure such Obligations.

5. Prepayments: If, as of the end of a calendar quarter, the sum of the Aggregate Collateral Value and the outstanding advances under the Loan, in each case with respect to an AmTrust Ceding Insurer, shall exceed Maiden Insurance's proportionate share of the Obligations to such AmTrust Ceding Insurer, the advances under the Loan with respect to such AmTrust Ceding Insurer shall be prepaid in an amount equal to the lesser of the amount of such advances or such excess within 60 days following the end of such quarter, less, in either case, any amounts due and payable by Maiden Insurance under the Reinsurance Agreement.

6. Frequency of Advances. AII shall be entitled to request advances under the Loan quarterly. An advances shall be made within 10 days of each such request.

7. Automatic Reduction in Principal: If an AmTrust Ceding Insurer withdraws Loan proceeds from a Trust Account with respect to an AmTrust Ceding Insurer into which Loan advances with respect to such AmTrust Ceding Insurer have been deposited, or from the segregated account described in Section C(5)(d) or D(4) of Article XXIII of the Reinsurance Agreement, funded by withdrawals from such a Trust Account, for the purpose of reimbursing such AmTrust Ceding Insurer for Ultimate Net Loss not received from AII or for unearned premiums due to such AmTrust Ceding Insurer but not otherwise paid by AII, the outstanding principal amount of the Loan and the advances with respect to such AmTrust Ceding Insurer automatically shall be reduced by the amount of such withdrawal and, as of the date the AmTrust Ceding Insurer applies such amount for such purposes, interest shall no longer be due on the amount of the reduction in principal.

EXHIBIT C

Schedule of Excess Reinsurance

1.	AmTrust Group Workers' Compensation Excess of Loss Reinsurance Agreement	
	Reinsurer:	Midwest Employers Casualty Company
	Term:	January 1, 2006 - January 1, 2008
	Retention and Limit:	9 million xs 1 million
	ECO/EPL:	100% (Subject to Retention and Limit)
	Intermediary:	Aon Re Inc.
2.	First Workers' Compensation Catastrophe Excess of Loss Reinsurance Contract	
	Reinsurer:	Various
	Term:	May 1, 2007 to May 1, 2008
	Retention and Limit:	30 million xs 20 million
	ECO/EPL:	90% (Subject to Retention and Limit)
	Intermediary:	Willis Re Inc.
3.	Second Workers' Compensation Catastrophe Excess of Loss Reinsurance Contract	
	Reinsurer:	Various
	Term:	May 1, 2007 to May 1, 2008
	Retention and Limit:	30 million xs 50 million
	ECO/EPL:	90% (Subject to Retention and Limit)
	Intermediary:	Willis Re Inc.
4.	Third Workers' Compensation Catastrophe Excess of Loss Reinsurance Contract	
	Reinsurer:	Various
	Term:	May 1, 2007 to May 1, 2008
	Retention and Limit:	50 million xs 80 million
	ECO/EPL:	90% (Subject to Retention and Limit)
	Intermediary:	Willis Re Inc.

EXHIBIT 10.8
Execution Copy

QUOTA SHARE REINSURANCE AGREEMENT

BETWEEN

AMTRUST INTERNATIONAL INSURANCE, LTD
HAMILTON, BERMUDA

(hereinafter referred to as the "Company")

AND

MAIDEN INSURANCE COMPANY, LTD
HAMILTON, BERMUDA

(hereinafter referred to as the "Reinsurer")

ARTICLE I - BUSINESS REINSURED

A. The Reinsurer, subject to the terms and conditions hereunder and the exclusions set forth herein, agrees to indemnify the Company, as specified in Article V below, for its Ultimate Net Loss which accrues during the term of this Agreement under any and all binders, policies, or contracts of insurance issued by Affiliates (including as a member or reinsurer of any assigned risk or similar plans) and reinsured by the Company (individually, a "Policy" and, collectively, "Policies") pursuant to an Underlying Reinsurance Agreement to the extent covering the lines of insurance specified in Schedule A hereto, but not including any Ultimate Net Loss with respect to any risk under any Policy if the applicable ceding Affiliate's retention with respect to such risk shall be greater than $5,000,000) (all hereinafter referred to as "Covered Business").

B. The Company hereby agrees that, if it reinsures binders, policies, or contracts of insurance issued by Affiliates that cover lines of insurance other than those specified in Schedule A hereto ("Additional Business"), it shall offer to the Reinsurer the opportunity to reinsure, on a retrocession basis, all such Additional Business pursuant to this Agreement. If the Reinsurer elects in its sole discretion to so reinsure any Additional Business, such Additional Business shall be considered "Covered Business" for all purposes, and shall be subject to all of the terms and conditions, of this Agreement, other than (a) the date and time as of which the reinsurance of such Additional Business shall be effective for purposes of this Agreement and (b) the ceding commission allowed in respect of such Additional Business, which terms and conditions described in clauses (a) and (b) shall be mutually agreed upon by the Reinsurer and the Company.

ARTICLE II - COMMENCEMENT

This Agreement shall commence effective as of 12:01 a.m., Eastern Standard Time, July 1, 2007 (the "Effective Time") and shall remain in force thereafter, subject to the terms and conditions for termination stipulated in Article XXI - TERM AND TERMINATION.

ARTICLE III - TERRITORY

This Agreement shall follow the territorial limits of the Covered Business.

ARTICLE IV - DEFINITIONS

A. "Affiliate" means Rochdale, Wesco, Technology, IGI, AIU, Associated Industries Insurance Company ("AIIC") and each other insurance company more than fifty percent (50%) of the voting securities of which are directly or indirectly controlled by AmTrust Financial Services, Inc. ("AmTrust"), for so long as AmTrust continues to so directly or indirectly control such entity.

B. "Affiliate Subject Premium" means, for each Affiliate, the gross written premium, as defined in the subject Underlying Reinsurance Agreement, charged by such Affiliate for Covered Business, less the cost of inuring reinsurance (and, in the case of IGI, less commissions paid by IGI in respect of Policies issued by IGI), but without deduction for any Federal Excise Tax payable by such Affiliate as a result reinsuring Subject Business to the Company.

C. “Extra Contractual Obligations” means any punitive, exemplary, compensatory or consequential damages, other than Loss in Excess of Policy Limits, paid or payable by the Company as a result of an action against it, or, to the extent reinsured pursuant to an Underlying Reinsurance Agreement, against an Affiliate, by an Affiliate's insured, an assignee of an Affiliate's insured or a third party claimant, by reason of alleged or actual negligence, fraud or bad faith on the part of the Company or any Affiliate in handling a claim under a Policy (whether or not paid) subject to this Agreement, but in each case excluding fraudulent or criminal acts by a director or executive officer of the Company or an Affiliate or criminal acts by the Company or an Affiliate.

D. “Loss Adjustment Expenses” means court costs, post-judgment interest, and allocated investigation, adjustment and legal expenses of the Company related to and charged to a specific claim file, but shall not include general overhead expenses of the Company or salaries, per diem and other remuneration of the Company’s employees.

E. “Loss in Excess of Policy Limits” means an amount that the Company would have been contractually obligated to pay had it not been for the limit of the original Policy, as a result of an action against it, or, to the extent reinsured pursuant to an Underlying Reinsurance Agreement, against an Affiliate, by an Affiliate's insured, an assignee of an Affiliate's insured or a third party claimant, by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in trial of any action against its insured or in the preparation or prosecution of an appeal consequent upon such action, but in each case excluding fraudulent or criminal acts by a director or executive officer of the Company or an Affiliate or criminal acts by the Company or an Affiliate.

F. "Net Loss Ratio" means, for any period, the ratio of (a) Ultimate Net Loss ceded to the Reinsurer plus the Reinsurer’s quota share of ceded reserves for Ultimate Net Loss (including losses incurred but not reported) during such period, to (b) the Subject Premiums earned during such period.

G. “Subject Premium” means, for each Affiliate, the percentage of the premium ceded to the Company under the Underlying Reinsurance Agreement to which such Affiliate is a party equal to forty percent (40%) of the Affiliate Subject Premium, in respect of Covered Business in accordance with the terms of the Underlying Reinsurance Agreements, to the extent the Affiliates shall have collected such premiums, and whether or not such Affiliates shall have remitted such premiums to the Company.

H. “Ultimate Net Loss” means the sum actually paid or to be paid by the Company to Affiliates in settlement of losses for which the Company is liable in accordance with the terms of an Underlying Reinsurance Agreement, after making deductions for all inuring reinsurance (whether inuring to the benefit of the Company or to an Affiliate), whether or not collectible by an Affiliate or by the Company, and all Recoveries, and shall include payments to Affiliates for Loss Adjustment Expenses, Extra Contractual Obligations and Loss in Excess of Policy Limits (subject to the limitations specified in Article XXII hereof).

I. "Underlying Reinsurance Agreement" means each of (a) that certain AmTrust Intercompany Reinsurance Agreement, effective June 1, 2006, by and among Technology Insurance Company, Inc. ("Technology"), Rochdale Insurance Company ("Rochdale"), Wesco Insurance Company ("Wesco") and the Company, (b) that certain 70% Whole Account Quota Share Reinsurance Agreement, effective as of July 1, 2006, by and between IGI Insurance Company Limited ("IGI") and the Company, (c) that certain Quota Share Reinsurance Agreement, effective as of May 1, 2007, by and between AmTrust International Underwriters, Ltd. ("AIU") and the Company, and (d) any other reinsurance agreement entered into from time to time after the date hereof by and between an Affiliate, as ceding company, including without limitation AIIC, and the Company, as reinsurer.

ARTICLE V - LIABILITY OF THE REINSURER

A. Commencing as of the Effective Time, the Company hereby agrees to cede to the Reinsurer, and the Reinsurer agrees to accept and reinsure, the Ultimate Net Loss of the Company equal to forty percent (40%) of the Affiliate Ultimate Net Loss with respect to Covered Business ceded to the Company by each Affiliate, subject to all other terms and conditions set forth in this Agreement; provided, however, that the Reinsurer's maximum liability hereunder in respect of a single loss under a Policy reinsured hereunder (without taking into account any Loss Adjustment Expenses, Extra Contractual Obligations or Loss in Excess of Policy Limits attributable thereto) shall not exceed $2,000,000. For purposes of this Agreement, "Affiliate Ultimate Net Loss" means the sum actually paid or to be paid by such Affiliate in settlement of losses for which it is liable in respect of the Covered Business, after making deductions for all inuring reinsurance (other than reinsurance with any direct or indirect subsidiary of AmTrust), whether collectible or not, and all Recoveries. Without limiting the generality of the foregoing, the Reinsurer shall be liable for its proportionate share of any experience-related premium rebates or credits to policyholders under Policies of workers compensation insurance, and shall benefit proportionately to the extent any such policyholder pays any additional premiums as a result of the experience under such Policies.

B. If an Affiliate Change in Control or Affiliate Run-Off Event occurs with respect to any Affiliate, the Reinsurer shall be entitled to elect not to reinsure Covered Business related to Policies issued or renewed by such Affiliate (“Applicable Covered Business”) effective as of such Affiliate Change in Control or Affiliate Run-Off Event (the “Election Effective Date”). Such election shall be in writing (an “Affiliate Run-Off Notice”), and shall be given not later than thirty (30) days following the date on which the Reinsurer has actual knowledge that the Affiliate Change in Control or the Affiliate Run-Off event (as applicable) shall have occurred. Subject to the immediately following sentence, if the Reinsurer makes such an election, all reinsurance hereunder of Applicable Covered Business that is in force as of the Election Effective Date shall remain in full force and effect until the applicable expiration date, anniversary date, or prior termination date of the Policies attributable to the Applicable Covered Business (the “Run-Off Policies”). The Company shall be entitled to notify the Reinsurer, within thirty (30) days following delivery to it of the Affiliate Run-Off Notice, that the Reinsurer shall not be liable for any Ultimate Net Loss arising out of the Run-Off Policies to the extent such Ultimate Net Loss occurs, accrues or arises on or after the Election Effective Date and, if the Company makes such election, the Reinsurer shall, within thirty (30) days following the date of such election, return to the Company the unearned premium attributable to the Run-Off Policies in force as of the Election Effective Date, less the unearned portion of the ceding commission paid thereon.

C. For purposes of this Agreement:

1. an “Affiliate Change of Control” will be deemed to occur with respect to an Affiliate when either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of such Affiliate or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of such Affiliate, except if such individual person, corporation or other entity is under common control with the Affiliate, or (b) AmTrust no longer directly or indirectly controls the power to vote more than fifty percent (50%) of the voting securities of such Affiliate; provided that in no event shall the acquisition, including through merger, of more than fifty percent (50%) of the voting securities of AmTrust or of the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of AmTrust, or the merger, combination or amalgamation of AmTrust into any person, or similar transaction pursuant to which AmTrust shall not be the surviving entity, be deemed a "Affiliate Change of Control".

2. An “Affiliate Run-off Event” shall be deemed to have occurred as to an Affiliate if:

(a) such Affiliate ceases writing new or renewal business and elects to run off its existing business or an insurance or other regulatory authority orders such party to cease writing new or renewal business; or

(b) such Affiliate becomes insolvent, or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, or trustee in bankruptcy or other agent known by whatever name, to take possession of its assets or control of its operations; or

D. No more frequently than quarterly the Company shall, and shall cause each ceding Affiliate under an Underlying Reinsurance Agreement to, provide to the Reinsurer and its representatives reasonable access, on reasonable advance notice and during business hours, to its claims files with respect to Covered Business. The Reinsurer shall have the right, but not the obligation, to consult with the Company and such Affiliate regarding the handling of any disputed or contested claim.

ARTICLE VI - PREMIUM AND CEDING COMMISSION

A. As consideration for entering into this Agreement, the Company shall transfer to the Reinsurer, not later than October 30, 2007, the portion of premium attributable to Covered Business ceded to the Company by each Affiliate equal to the Subject Premium that is unearned as of the Effective Time (the "Initial Premium"). The Reinsurer shall be entitled to verify the accuracy of the amount of Initial Premium so transferred and shall be entitled to dispute such amount if it has reason to believe in good faith that the Company improperly or inaccurately calculated such amount.

B. Subject to and in accordance with the terms of Article VII, in addition to the payment of the Initial Premium, during the term of this Agreement, the Company shall cede to the Reinsurer the Subject Premium.

C. The Reinsurer shall allow the Company a 31% commission on all Subject Premium ceded hereunder until July 1, 2008 and attributable to Covered Business. Thereafter, during the remaining term of this Agreement, the commission may be adjusted on each January 1 and July 1 (each an “Adjustment Date”) based on the Net Loss Ratio, calculated during the period from the Effective Time through the date that is six months prior to the applicable Adjustment Date, of the Covered Business as follows: (a) the ceding commission shall increase 0.5% for every 1.0% decline in the Net Loss Ratio below 60% up to a maximum ceding commission of 32%, and (b) the ceding commission shall decrease 0.5% for every 1.0% increase in the Net Loss Ratio above 60%, subject to a minimum ceding commission of 30%. The Company and the Reinsurer acknowledge and agree that the commission payable hereunder shall be subject to appropriate adjustments if Additional Business is reinsured hereunder as described in Section B of Article I hereof. The Company shall allow the Reinsurer return commission on return premiums at the rate in effect when the return premiums were originally ceded to the Reinsurer. It is expressly agreed that the ceding commission allowed the Company includes provision for all commissions, taxes, assessments (other than assessments based on losses of an Affiliate, as a ceding company under an Underlying Reinsurance Agreement) and all other expenses of whatever nature of the Company and Affiliates, except loss adjustment expense.

ARTICLE VII - ACCOUNTS, REPORTS AND REMITTANCES

Within thirty (30) days following the end of each calendar quarter, the Company shall report to the Reinsurer:

A. Affiliate Subject Premium, by Affiliate and by line of Covered Business, for the quarter

B. Ceded Subject Premium, by Affiliate and by line of Covered Business, for the quarter;

C. Ceding commission thereon;

D. Ceded Ultimate Net Loss in respect of Covered Business, by Affiliate and by line of Covered Business, as of the end of the quarter;

E. Reinsurer’s share of Recoveries made by Company during the quarter, as determined in accordance with Article VIII hereof; and

F. The balance due to or from the Reinsurer as determined by subtracting the sum of (C) and (D) from the sum of (B) and (E).

The Company shall provide, and shall cause all Affiliates to provide, to the Reinsurer all information respecting premiums and losses, including reserves, as reasonably requested by the Reinsurer, including without limitation such information as is reasonably necessary to enable the Reinsurer to maintain and adjust the balance of the collateral to be provided pursuant to the terms of Article XXIII of this Agreement.

If the amount calculated pursuant to paragraph F above is negative, the Reinsurer shall remit to the Company the absolute value of such amount within fifteen (15) days following the Company’s submission of the quarterly report to the Reinsurer. If the amount calculated pursuant to paragraph F above is positive, the Company shall remit such amount to the Reinsurer simultaneously with the Company’s submission of the quarterly report to the Reinsurer.

ARTICLE VIII - RECOVERIES

The Company shall pay to or credit the Reinsurer with the Reinsurer’s portion of any recovery connected with an Ultimate Net Loss obtained from salvage, subrogation or other insurance (collectively, "Recoveries"), and such amount shall be paid or credited to the Reinsurer when obtained irrespective of the termination of this Agreement. Expenses allocated to the Company by Affiliates in connection with obtaining Recoveries shall be apportioned between the Company and the Reinsurer in the proportion that the benefit to each party from such Recoveries bears to the total amount of the Recovery.

ARTICLE IX - OFFSET

The Company or the Reinsurer may offset any balance, whether on account of premium, commission, claims or losses, Loss Adjustment Expenses, Recoveries or any other amount due from one such party to the other such party under this Agreement. The right of offset shall not be affected by the insolvency of the Company or the Reinsurer.

ARTICLE X -PREMIUM TAXES

The Company shall be liable for all taxes on premiums paid to it with respect to the business reinsured pursuant to the Agreement.

ARTICLE XI - EXCISE TAXES

The Company shall be liable for the U.S. federal insurance excise tax ("FET") (as imposed under section 4371 of the Internal Revenue Code) to the extent premium paid by it to the Reinsurer under this Agreement is subject to the FET. The Company acknowledges and agrees that the net amount of Subject Premium due to the Reinsurer hereunder (being the Reinsurer’s proportionate share of Subject Premium less the ceding commission described in Article VI hereof) shall not be reduced as a result of or in order to pay such Federal Excise Tax, if any.

ARTICLE XII - ERRORS AND OMISSIONS

The Reinsurer shall not be relieved of liability because of an error or accidental omission by the Company in reporting any claim, loss, or any business reinsured under this agreement, provided that the error or omission is rectified promptly after discovery. The Reinsurer shall be obligated only for the return of the premium paid for business reported but not reinsured under this Agreement.

ARTICLE XIII - AMENDMENTS

The terms and conditions contained in this Agreement may be changed, altered or amended as the parties may agree, provided such change, alteration or amendment is evidenced by Addendum to this Agreement executed by the Company and the Reinsurer.

ARTICLE XIV - ACCESS TO RECORDS

The Company shall comply with the Reinsurer's reasonable request for any information relating to this Agreement. Additionally, the Reinsurer, or its authorised representatives, shall have the right to inspect at any reasonable time at the offices of the Company and the Affiliates (or that of service providers), and shall be permitted to make and retain copies of, all papers, books, accounts, documents, claims files and other records of the Company and the Affiliates relating to this Agreement, and in connection therewith the Company shall make available to the Reinsurer responsible representatives of the Company and the Affiliates upon reasonable prior notice. The Reinsurer's right of inspection shall continue to exist after the termination of this Agreement.

ARTICLE XV - INTENTIONALLY OMITTED

ARTICLE XVI- ARBITRATION

A. As a condition precedent to any right of action hereunder, any dispute arising out of the interpretation, performance or breach of this Agreement, including the formation or validity thereof (each, a "Dispute"), shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration shall be in writing and sent certified or registered mail, return receipt requested.

B. Each party shall choose one arbitrator and the two arbitrators shall, before instituting the hearing, choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within thirty (30) days after being requested to do so by the other party, which request shall be made by certified or registered mail, the latter may appoint the second arbitrator and then notify the other party by certified or registered mail of its appointment.

C. If the first two arbitrators are unable to agree upon the third arbitrator within thirty (30) days of their appointment, each arbitrator shall name three candidates within ten days thereafter, two of whom shall be declined by the other arbitrator within fifteen days after receiving their names, and within five days the choice shall be made between the two remaining candidates by drawing lots. All arbitrators shall be disinterested active or former executive officers of insurance or reinsurance companies or Underwriters at Lloyd's.

D. Within thirty (30) days after notice of appointment of all arbitrators, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules for hearings. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Unless the panel agrees otherwise, arbitration shall take place in New York, New York, but the venue may be changed when deemed by the panel to be in the best interest of the arbitration proceeding. Insofar as the arbitration panel looks to substantive law, it shall consider the law of the New York. The decision of any two arbitrators when rendered in writing shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

E. The panel shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible following the termination of hearings. Judgment upon the award may be entered in any court having jurisdiction thereof. Except as provided above, arbitration shall be based, insofar as applicable, upon the then most current version of the Procedures for the Resolution of U.S. Insurance and Reinsurance Disputes provided by ARIAS US.

F. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. In the event that both arbitrators are chosen by one party, the fees of all arbitrators shall be equally divided between the parties. The panel shall allocate the remaining costs of the arbitration.

ARTICLE XVII - APPLICABLE LAW

This Agreement shall be governed by the laws of the State of New York, without regard to any conflicts of law principles thereof that would call for the application of the laws of any other jurisdiction.

ARTICLE XVIII - NO THIRD-PARTY BENEFICIARIES

The acceptance of risks under this Agreement will create no right or legal relation between the Reinsurer and any third party or person having an interest of any kind in the Policies or the Underlying Reinsurance Agreements retroceded under this Agreement, including without limitation any Affiliate.

ARTICLE XIX - FOLLOW THE FORTUNES

The Reinsurer's liability shall attach simultaneously to that of the Company and all reinsurance for which the Reinsurer shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, assessments, waivers, and the same modifications, alterations and cancellations, as the Policies to which this Agreement relates.

ARTICLE XX - CURRENCY

All premium and loss payments hereunder shall be in the currency designated in the applicable Underlying Reinsurance Agreement.

ARTICLE XXI - TERM AND TERMINATION

A. This Agreement shall remain in effect until three years following the Effective Time, and shall automatically renew for successive three-year periods thereafter, unless the Reinsurer or Company elects to terminate this Agreement effective as of the expiration of any such three-year period. If the Reinsurer or Company elects to so terminate this Agreement, it shall give written notice to the other party hereto not less than nine months prior to the expiration of any such three-year period.

B. Notwithstanding the provisions of Section A of this Article XXI, the Reinsurer may terminate this Agreement in the event of any of the following (clauses 1 through 5 below, collectively, the "Company Termination Events") by written notice to the Company no later than thirty (30) days (or in the case of a Company Termination Event described in subsection B(1) below, ten (10) days) following actual knowledge of the applicable Company Termination Event by the Reinsurer:

1. the Company is thirty (30) or more days in arrears on payment due to the Reinsurer under this Agreement, and has not cured such breach within thirty (30) days following written notice thereof from the Reinsurer (unless the amount not so paid is the subject of a good faith dispute) (a "Company Payment Default");

2. the Company has ceased writing new or renewal business and has elected to run off its existing business or an insurance or other regulatory authority has ordered such party to cease writing new or renewal business;

3. the Company has become insolvent, or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, or trustee in bankruptcy or other agent known by whatever name, to take possession of its assets or control of its operations;

4. a Company Change of Control has occurred. For purposes of this Agreement, a "Company Change of Control" will be deemed to occur with respect to the Company when either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of the Company or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of the Company, except if such individual person, corporation or other entity is under common control with such Company, or (b) AmTrust no longer directly or indirectly controls the power to vote more than fifty percent (50%) of the voting securities of the Company; provided that in no event shall the acquisition, including through merger, of more than fifty percent (50%) of the voting securities of AmTrust or of the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of AmTrust, or the merger, combination or amalgamation of AmTrust into any person, or similar transaction pursuant to which AmTrust shall not be the surviving entity, be deemed a "Company Change of Control"; or

5. the combined shareholders' equity of the Company and the Affiliates is reduced to 50% or less of the amount of such shareholders' equity at either the inception of this Agreement or at the latest renewal or anniversary date of this Agreement.

Termination as a result of a Company Payment Default shall be effective upon not less than ten (10) days prior written notice from the Reinsurer to the Company, and termination as a result of any other Company Termination Event shall be effective upon not less than thirty (30) days prior written notice from the Reinsurer to the Company. For greater certainty, the Reinsurer may not terminate this Agreement as a result of a Company Termination Event unless such event is continuing on the date it delivers its notice of termination to the Company.

C. Notwithstanding the provisions of Section A of this Article XXI, the Company may terminate this Agreement, in the event of any of the following (clauses 1 through 6 below, collectively, the "Reinsurer Termination Events") by written notice to the Reinsurer no later than thirty (30) days (or in the case of a Reinsurer Termination Event described in subsection B(1) below, ten (10) days) following actual knowledge of the applicable Reinsurer Termination Event by the Company:

1. the Reinsurer is thirty (30) or more days in arrears on payment due to the Company under this Agreement or its obligations under Article XXIII and the Reinsurer has not cured such breach within thirty (30) days following written notice thereof from the Company (unless the amount not so paid is the subject of a good faith dispute) (a "Reinsurer Payment Default");

2. the Reinsurer has ceased writing new or renewal business and has elected to run off its existing business or an insurance or other regulatory authority has ordered the party to cease writing new or renewal business;

3. the Reinsurer has become insolvent, or has been placed into liquidation or receivership (whether voluntary or involuntary), or there have been instituted against it proceedings for the appointment of a receiver, liquidator, rehabilitator, conservator, or trustee in bankruptcy or other agent known by whatever name, to take possession of its assets or control of its operations;

4. a Reinsurer Change of Control has occurred. For purposes of this Agreement, a “Reinsurer Change of Control” will be deemed to occur when either (a) an individual person, corporation or other entity, or a group of commonly controlled persons, corporations or entities, acquires, including through merger, directly or indirectly, more than fifty percent (50%) of the voting securities of the Reinsurer or obtains the power to vote (directly or through proxies) more than fifty percent (50%) of the voting securities of the Reinsurer, except if such individual person, corporation or other entity is under common control with the Reinsurer or (b) Maiden Holdings, Ltd. no longer directly or indirectly controls the power to vote more than fifty percent (50%) of the voting securities of the Reinsurer;

5. the Reinsurer's shareholders' equity is reduced to 50% or less of the amount of its shareholders’ equity at either the inception of this Agreement or at the latest renewal or anniversary date of this Agreement; or

6. the Reinsurer fails to maintain an A.M. Best rating of A- or better.

Termination as a result of a Reinsurer Payment Default shall be effective upon not less than ten (10) days prior written notice from the Company to the Reinsurer, and termination as a result of any other Reinsurer Termination Event shall be effective upon not less than thirty (30) days prior written notice from the Company to the Reinsurer. For greater certainty, the Company may not terminate this Agreement as a result of a Reinsurer Termination Event unless such event is continuing on the date the applicable Company delivers its notice of termination to the Reinsurer.

D. Following the effective date of the termination of this Agreement as described in Sections A, B or C of this Article XXI, all reinsurance hereunder of Covered Business shall remain in force until the expiration date, anniversary date, or prior termination date of all Policies included therein, unless, not later than thirty (30) days following such effective date of termination of this Agreement, the Company shall elect that the Reinsurer shall not be liable for any Ultimate Net Loss that occurs, accrues or arises on or after the effective date of termination. If the Company shall make such election, within thirty (30) days following the date of such election, the Reinsurer shall return to the Company the unearned premium applicable to such Policies in force at the time and date of termination, less the unearned portion of the ceding commission paid thereon.

ARTICLE XXII - EXTRA CONTRACTUAL OBLIGATIONS AND LOSS IN EXCESS OF POLICY LIMITS

A. The Reinsurer shall indemnify the Company for the Reinsurer’s quota share portion of Extra-Contractual Obligations and Loss in Excess of Policy Limits.

B. The Reinsurer shall receive the benefit of its proportionate share of recoveries from any other form of insurance or reinsurance that protects the Company or any Affiliate against any loss or liability covered under this Article XVII, which shall be deducted from the total amount of any Extra-Contractual Obligation and/or Loss in Excess of Policy Limits in determining the amount of Extra-Contractual Obligation and/or Loss in Excess of Policy Limits that shall be indemnified under this Article XXII.

C. The Company shall be indemnified in accordance with this Article XXII to the extent that indemnification of the Company or subject Affiliate is permitted by applicable law.

ARTICLE XXIII - UNAUTHORIZED REINSURANCE

A. If the Company is unauthorized or otherwise unqualified in any state or other United States jurisdiction, and if, without security in a form acceptable to the insurance regulatory authorities having jurisdiction over an Affiliate, a financial penalty to such Affiliate, arising from the inability to make a reduction to liabilities for the reinsurance ceded to the Company or the recording of a liability for unauthorized reinsurance, would result on any statutory statement or report such Affiliate is required to make or file with such insurance regulatory authorities or a court of law in the event of insolvency, the Reinsurer will timely fund or provide for the Reinsurer's share of security for the Obligations (as defined below) under the Underlying Reinsurance Agreement with such Affiliate by:

1. lending assets to the Company on terms and conditions that shall be mutually acceptable to the Company and the Reinsurer (a "Loan"), provided, however, that the terms and conditions of the Loan shall be consistent with the terms and conditions set forth in Exhibit B to that certain First Amendment, dated as of September 17, 2007, to the Master Agreement, dated as of July 3, 2007, by and between AmTrust and Maiden Holdings, Ltd.;

2. transferring to the Company assets (the "Reinsurer Trust Assets") for deposit into one or more trust accounts established or to be established by Company for the sole benefit of such Affiliate (each, a "Trust Account") with a trustee (the "Trustee"), which Trustee shall be at the time a Trust Account is established, and shall continue to be, a member of the Federal Reserve System and shall not be a parent, subsidiary or affiliate of the Reinsurer, Company or such Affiliate, pursuant to a trust agreement meeting the applicable requirements of the jurisdictions having regulatory authority over each applicable Affiliate (each a "Trust Agreement");

3. delivering one or more clean, unconditional and irrevocable letters of credit to such Affiliate (each, a "Letter of Credit") in form and substance satisfying the requirements of the jurisdictions having regulatory authority over such Affiliate; and/or

4. requesting that the Company cause such Affiliate to withhold Subject Premium in lieu of remitting Affiliate Subject Premium to the Company (the "Subject Withheld Funds", together with any other Affiliate Subject Premium that shall be withheld under an Underlying Reinsurance Agreement, the "Withheld Funds") in accordance with the terms of the Underlying Reinsurance Agreement with such Affiliate.

For the avoidance of doubt, the Reinsurer shall be permitted to elect any or a combination of the above forms of security, provided that the aggregate value of the security funded or provided by the Reinsurer equals the Reinsurer's proportionate share of the Obligations. The Company and the Reinsurer acknowledge and agree that, as of the date of execution of this Agreement, the Reinsurer intends to satisfy this obligation in the form of a Loan.

B. The “Obligations” referred to herein means, as to each Affiliate, the then current (as of the end of each calendar quarter) sum of:

1. The amount of ceded Ultimate Net Loss for which the Company is responsible to such Affiliate but has not yet paid;

2. The amount of ceded reserves for Ultimate Net Loss (including without limitation ceded reserves for claims reported but not resolved and losses incurred but not reported) for which the Company is responsible to such Affiliate; and

3. The amount of ceded reserves for unearned Affiliate Subject Premiums attributable to such Affiliate.

C. With respect to the Trust Accounts, the following shall apply:

1. The Reinsurer shall transfer Reinsurer Trust Assets to the Company, and the Company shall immediately upon receipt thereof transfer to the Trustee, for deposit into the applicable Trust Account, such Reinsurer Trust Assets, to be held in trust by the Trustee for the benefit of such Affiliate as security for the payment of the Reinsurer's proportionate share of the Obligations to such Affiliate. The Reinsurer Trust Assets shall be maintained in the Trust Account as long as the Reinsurer continues to remain liable for its proportionate share of such Obligations; provided however, that all Reinsurer Trust Assets shall be maintained in a sub-account of the Trust Account separate and apart from any other assets deposited therein by the Company. For each Trust Account in which Reinsurer Trust Asset shall be deposited, the Company shall authorize and direct the Trustee to timely provide to the Reinsurer all account statements and other notices to be delivered to the Company under the related Trust Agreement.

2. The Reinsurer agrees that the Reinsurer Trust Assets shall be valued according to their current fair market value and shall consist only of currency of the United States of America, certificates of deposit issued by a United States bank and payable in United States legal tender, and investments of the types permitted by the insurance regulatory authorities with jurisdiction over the applicable Affiliate in regards to security provided with respect to the obligations of an unauthorized or unqualified reinsurer (“Authorized Investments”). The Company agrees that the Reinsurer Trust Assets will be managed for the Company by AII Insurance Management, Ltd. (“AIM”) in accordance the terms of and pursuant to the Asset Management Agreement dated July 3, 2007 entered into by Reinsurer and AIM (the “Asset Management Agreement”) and, by executing this Agreement (solely for purposes of this Section C(2)), AIM acknowledges and agrees to the provisions of this Section C(2).

3. The Reinsurer, prior to transferring the Reinsurer Trust Assets to the Company, shall execute all assignments and endorsements in blank, and shall transfer legal title to the Company of all shares, obligations or any other assets requiring assignments, in order to permit the Reinsurer to transfer to the Trustee such Reinsurer Trust Assets for deposit into the Trust Account.

4. All settlements of account between the Company and an Affiliate with respect to Reinsurer Trust Assets shall be made in cash or its equivalent.

5. The Reinsurer acknowledges that the Reinsurer Trust Assets may be withdrawn by such Affiliate at any time, notwithstanding any provisions in the Underlying Reinsurance Agreement to which such Affiliate is a party, provided that such Affiliate has agreed in such Underlying Reinsurance Agreement that such withdrawn assets shall be applied and utilized by such Affiliate or any successor of such Affiliate by operation of law, including, without limitation, any liquidator, rehabilitator, receiver or conservator of such Affiliate, without diminution because of the insolvency of such Affiliate or the Company, only for the following purposes:

(a) to reimburse such Affiliate for the Company's share of any Ultimate Net Loss paid by such Affiliate but not received from the Company or for unearned premiums due to such Affiliate but not otherwise paid by the Company with respect to the business reinsured hereunder; or

(b) to make payment to the Company of any amounts held in the Trust Accounts established for the benefit of such Affiliate that exceed 102% of the Company's Obligations to such Affiliate (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate); or

(c) to pay any other amounts the Affiliate claims are due under the Underlying Reinsurance Agreement or

(d) where such Affiliate has received notification of termination of a Trust Account in which Reinsurer Trust Assets are held, and where the Obligations under the related Underlying Reinsurance Agreement remain unliquidated and undischarged ten (10) days prior to such termination, to withdraw amounts equal to such Obligations (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate) and deposit such amounts in a separate account, in the name of such Affiliate, in any United States bank or trust company, apart from its general assets, in trust for such uses and purposes specified in subparagraphs (a) and (b) above as may remain executory after such withdrawal and for any period after such termination.

D. The Reinsurer acknowledges that any Letter(s) of Credit provided by it pursuant hereto for the benefit of an Affiliate may be drawn upon by such Affiliate at any time, notwithstanding any provisions in the Underlying Reinsurance Agreement to which such Affiliate is a party, provided that such Affiliate has agreed in such Underlying Reinsurance Agreement that any amounts drawn shall be applied and utilized by such Affiliate or any successor of such Affiliate by operation of law, including, without limitation, any liquidator, rehabilitator, receiver or conservator of such Affiliate, without diminution because of the insolvency of such Affiliate or the Company, only for the following purposes:

1. to pay or reimburse the Affiliate for the Company's share of any premiums returned to the owners of Policies on account of cancellations of such Policies;

2. to pay or reimburse the Affiliate for the Company's share of Ultimate Net Loss paid or payable by the Affiliate under the terms and provisions of the Policies;

3. to pay any other amounts the Affiliate claims are due under the Underlying Reinsurance Agreement; and

4. to fund an account with the Affiliate in an amount at least equal to the deduction, for reinsurance ceded as to such Affiliate's Policies, for the uses and purposes described in clauses 1, 2 and 3 above. Such amount shall include, but not be limited to, amounts for policy reserves, reserves for claims and losses incurred (including losses incurred but not reported), loss adjustment expenses, and unearned premiums.

E. With respect to assets to be returned to the Reinsurer, the following shall apply:

1. The Company, at the written request of the Reinsurer, shall use commercially reasonable efforts to seek the applicable Affiliate’s approval to withdraw all or any part of the Reinsurer Trust Assets from the Trust Account established for the benefit of such Affiliate and shall transfer such assets to the Reinsurer, provided that the withdrawal conforms to the following requirements:

(a) the Reinsurer shall, at the time of any such withdrawal, deliver to the Company, for deposit by the Company into such Trust Account, other Authorized Investments having a market value equal to the market value of the assets withdrawn from such Trust Account, and

(b) after such withdrawal, transfer, and deposit into such Trust Account, the market value of assets in the Trust Accounts established for the benefit of such Affiliate is no less than 102% of the Obligations to such Affiliate (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate).

2. The Company, at the request of the Reinsurer, shall use its best efforts to seek each Affiliate's approval to permit an amendment to, or to surrender and replace, a Letter of Credit, provided that, after such amendment or surrender and replacement, the remaining undrawn balance, if any, of such Letter of Credit, plus the fair market value of assets in Trust Accounts established for the benefit of such Affiliate, plus the fair market value of the Withheld Funds of such Affiliate, plus the undrawn balance of any other Letters of Credit for the benefit of such Affiliate, is not less 102% of the Obligations to such Affiliate.

3. If an Affiliate returns to the Company excess assets withdrawn from the Trust Account established for such Affiliate, excess amounts drawn on a Letter of Credit, or an excess portion of the Withheld Funds, the Company shall immediately return to the Reinsurer its proportionate share of such excess assets.

4. If, as of any date of determination, and with respect to any Affiliate, the sum of (w) the fair market value of the Reinsurer Trust Assets for the benefit of such Affiliate, (x) the undrawn balance of any Letters of Credit for the benefit of such Affiliate provided by the Reinsurer pursuant to Section A of this Article XXIII, (y) the fair market value of any separate account established by such Affiliate as described in Section C(5)(d) or D(4) of this Article XXIII, and (z) the Subject Withheld Funds of such Affiliate (the "Aggregate Collateral Value"), exceeds the Reinsurer's share of the Obligations to such Affiliate (the excess Aggregate Collateral Value, the "Excess Collateral Value"), the Company shall, with respect to such excess collateral, at its option, undertake one or more of the following:

(a) a withdrawal of such Reinsurer Trust Assets and the payment of withdrawn Reinsurer Trust Assets to the Reinsurer pursuant to Section E(1) of this Article XXIII,

(b) payment to the Reinsurer of an amount in cash;

(c) payment to the Company by such Affiliate of Withheld Funds, and the payment to the Reinsurer of its proportionate share thereof;

(d) a payment to the Company by such Affiliate from any separate account or accounts established by such Affiliate as described in Sections C(5)(d) and D(4) of this Article XXIII, and the payment to the Reinsurer of its proportionate share thereof; and/or

(e) the amendment or replacement of any of such Letters of Credit, with the consent of the Reinsurer, not to be unreasonably withheld, to reduce the undrawn balance of such Letters of Credit after giving effect to such amendment or replacement;

provided that the aggregate amount of such payments to the Reinsurer pursuant to (a) through (d) above plus such reduction in the undrawn balance of the Letters of Credit pursuant to (e) above shall at least equal the Excess Collateral Value. The Aggregate Collateral Value and the Reinsurer's share of the Obligations shall be calculated (separately as to each Affiliate) as of the last day of each calendar quarter during the term of this Agreement, and the Excess Collateral Value, if any, resulting from such calculations shall be remitted to the Reinsurer not later than the forty-fifth (45^{th}) calendar day following the end of such calendar quarter.

5. In the event that any Affiliate withdraws Reinsurer Trust Assets from a Trust Account, draws on a Letter of Credit and/or utilizes Subject Withheld Funds in excess of the Reinsurer's proportionate share of the Obligations, in excess of the amount payable by the Reinsurer to the Company with respect to such Obligations, or other than for the purposes described in Sections C(5) and D of this Article XXIII, the Company shall reimburse Reinsurer immediately for the amount of the excess or the misapplied amount (as the case may be), taking into account any payments made by the Company to the Reinsurer pursuant to Section E(4) of this Article XXIII.

6. If an Affiliate withdraws Reinsurer Trust Assets from a Trust Account, or draws on a Letter of Credit, and deposits such assets in a separate account as described in Sections C(5)(d) and D(4) of this Article XXIII, the Company shall pay to the Reinsurer, not later than 15 calendar days following the end of each calendar month during the term of this Agreement, an amount equal to all dividends, interest and other income earned on the assets held in such account during such month, except to the extent that such dividends, interest or other income relate to assets of the Reinsurer for which the Company has made payment to the Reinsurer pursuant to Paragraph 3 or 4 of this Article XXIII(E) and except to the extent that the Aggregate Collateral Value at such time is less than the Reinsurer's share of the Obligations to such Affiliate; provided that any such payment shall be net of the Reinsurer's proportionate share of fees of the Trustee with respect to Reinsurer Trust Assets and shall be reduced by the amount of any unpaid fees or expenses then due and payable under the Asset Management Agreement.

F. The Company, upon receipt and not less frequently than quarterly, will provide to the Reinsurer statements prepared by the Affiliates for the purpose of showing the Company's Obligations in respect of each Affiliate and a statement prepared by Company showing the Reinsurer's proportionate share thereof. If the Reinsurer's share thereof exceeds the market value of the security provided by the Reinsurer to the Company for such Affiliate as required by in Section A of this Article XXIII, the Reinsurer will, within fifteen (15) days of receipt of the statements, provide additional security of such types with respect to the Reinsurer's proportionate share of the Obligations to such Affiliate(s).

G. If the Company is unauthorized or otherwise unqualified in any jurisdiction outside of the United States, and if, without security, a financial penalty to an Affiliate domiciled outside of the United States would result on any statutory statement or report it is required to make or file with the insurance regulatory authority having jurisdiction over such Affiliate or a court of law in the event of insolvency, the Reinsurer will timely secure the Reinsurer's share of the Obligations in form and substance satisfying the requirements of the insurance regulatory authority having jurisdiction over such Affiliate.

ARTICLE XXIV - SERVICE OF SUIT

Subject to Article XVI, it is agreed that the Company and Reinsurer have the right to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer or remand of a case to another court as permitted by the laws of the United States or of any state in the United States.

It is further agreed that the Company may serve process upon the Reinsurer by serving:

A Person indicated by the Company in a written notice to the Reinsurer within five (5) days of the date hereof.

The right of the Company to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account.

ARTICLE XXV - MISCELLANEOUS

A. Entire Agreement. This Agreement contains the entire agreement between the parties hereto relating to the subject matter hereof and supersedes and replaces all oral statements and prior writings with respect thereto.

B. Assignment. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party.

C. Counterparts. This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but will not be effective until each party has executed at least one counterpart. Each counterpart will constitute an original of this Agreement, but all the counterparts will together constitute but one and the same instrument. All signatures of the parties to this Agreement may be transmitted by facsimile, and such facsimile will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces and will be binding upon such Party.

D. Waiver. Except as otherwise expressly set forth in this Agreement, there shall be no waiver of any breach of the terms of this Agreement, nor waiver of any right, remedy, power or privilege conferred by this Agreement, except as notified in writing by the party waiving to the other party, or as otherwise expressly provided for in this Agreement. Notwithstanding this, and for the avoidance of doubt:

1. any waiver of a breach of any term of this Agreement or of any default hereunder shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement; and

2. no failure to exercise and no delay on the part of any party in exercising any right, remedy, power or privilege of that party under this Agreement and no course of dealing between the parties shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any right, remedy, power or privilege. The rights and remedies provided by this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.

E. Headings. The headings of the Articles of this Agreement are inserted for convenience only, and shall not affect the meaning or construction of any provision of this Agreement.

F. Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission (and immediately after transmission confirmed by telephone), or sent by certified, registered or express mail, postage prepaid; provided, however, that the party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission (and immediately after transmission confirmed by telephone), or, if mailed, on the date shown on the receipt therefor, as follows (or to such other address or facsimile number as the party shall furnish the other party in accordance with this paragraph):

If to the Company, to:

AmTrust International Insurance, Ltd.
Suite 102 Washington Mall
7 Reid Street
Hamilton HM 11
Bermuda
Tel: 441.292.6564
Fax: 441.292.5796

With a copy to:

AmTrust Financial Services, Inc.
59 Maiden Lane, 6th Floor
New York, NY 10038
Tel: 212.220.7120
Fax: 212.220.7130
Attention: General Counsel

If to the Reinsurer, to:

Maiden Insurance Company, Ltd.
7 Reid Street
Hamilton HM 11
Bermuda
Attention: CFO
Tel: 441-295-5225
Fax:

With a copy to:

Conyers Dill and Pearman
Clarendon House
2 Church Street
PO Box HM 666
Hamilton HM CX
Bermuda
Attention: Christopher Garrod, Esq.
Tel: (441) 295 1422
Fax: (441) 292 4720

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto, by their respective duly authorized officers, have executed this QUOTA SHARE REINSURANCE AGREEMENT, in duplicate, as of the dates recorded below:

AMTRUST INTERNATIONAL INSURANCE, LTD.

By: /s/ Michael Bott

Dated: September 17, 2007

MAIDEN INSURANCE COMPANY, LTD.

By: /s/ Bentzion S. Turin

Dated: September 17, 2007

AII INSURANCE MANAGEMENT, LTD.

(solely for the purposes of Section C(2) of Article XXIII hereof)

By: /s/ Michael Bott

Dated: September 17, 2007

Schedule A

Lines of Insurance Covered Under this Agreement

All lines of business classified by the Company as:

1. Workers' Compensation

2. Extended Warranty and Specialty Risk, which includes Mechanical Breakdown, Accidental Damage, Theft, Gap and Creditor and Payment Protection, and coverages which are substantially similar to those listed herein or any current business classified by the Company as Extended Warranty and Specialty Risk.

3. Specialty Middle-Market Property and Casualty (as reported by AmTrust in its filings with the U.S. Securities Exchange Commission) placed through program underwriting agents, which includes General Liability, Commercial Property, Commercial Automobile Liability, and Auto Physical Damage, Workers' Compensation and other substantially similar commercial property and casualty coverages.

ASSET MANAGEMENT AGREEMENT

THIS AGREEMENT, made this 3rd day of July 2007 by and between AII Insurance Management Limited ("AIM"), a Bermuda corporation, and Maiden Insurance Company, Ltd. ("Company"), a Bermuda joint stock company.

WITNESSETH

WHEREAS, Company is a licensed Bermuda insurer, whose sponsors are the Chairman of the Board, Chief Executive Officer, and a Director of AmTrust Financial Services, Inc., which is a multinational insurance holding company, which owns AIM and currently owns three U.S. insurers, an Irish insurer, U.K. insurer and Bermuda reinsurer;

WHEREAS, AIM provides certain services to its affiliates, including investment management services;

WHEREAS, Company wishes to retain AIM to provide investment management services with respect to assets held in trust pursuant to those certain reinsurance Trust Agreements specified on Appendix A (each such agreement a "Trust Agreement", and each portfolio of assets held pursuant to a Trust Agreement a "Trust Account") and other assets designated by Company in writing from time to time (the "General Account", together with the Trust Accounts the "Account") and AIM is willing to do so.

NOW, THEREFORE, in consideration of their respective promises and covenants hereinafter set forth, AIM and Company agree as follows:

1. AIM shall perform the following investment management services on behalf of Company in accordance with Company's investment guidelines, which are attached hereto as Appendix B (the "Investment Guidelines"), and regulatory requirements regarding investments. Company has established separate Investment Guidelines with respect to each Reinsurance Trust and with respect to the General Account. Company in its discretion may amend the Investment Guidelines from time to time, by delivering such amendment to AIM in writing no less than 5 business days prior to the effective date. In the event that there is a failure to comply with the Investment Guidelines as a result of changes in market conditions or otherwise, AIM shall promptly notify Company and shall take such corrective action as may be agreed with Company. Subject to the Investment Guidelines, AIM shall have full discretionary authority with respect to the Account, including the authority and power to enter into contracts binding on Company with respect thereto, and to:

(a) establish, maintain and terminate discretionary and non-discretionary investment accounts with banks, brokers, dealers, investment advisers or other investment professionals, including affiliates of AIM ("Investment Service Providers"), provided, such Investment Service Providers maintain all required licenses, registrations, memberships and approvals required to perform the investment services being offered. If AIM delegates any of its discretionary investment, advisory and other rights, powers and functions hereunder to any Investment Service Provider, AIM shall always remain liable to Company for its obligations hereunder. References herein to AIM shall include, as the context may require, any of AIM's affiliates that are selected to manage assets under this Agreement. Any affiliate of AIM that is delegated authority under this Agreement shall accept such delegation in an agreement between the AIM and any such affiliate and acknowledge that it is a fiduciary with respect to the Account.

(b) purchase, hold, sell, write, exchange, transfer, and otherwise invest and trade in property of all kind, including without limitation:

- any publicly-traded or non-publicly traded, U.S or non-U.S.: general or limited partnership or limited liability company interest; share of capital stock; share of beneficial interest; investment contract, preorganization certificate or subscription; bond, note, debenture (whether subordinated, convertible or otherwise), trust receipt or certificate, loan participation and/or assignment, account or note receivable, trade acceptance, contract or other claim, executory contract (including any notional principal contract), instrument or evidence of indebtedness; certificate of deposit;

- any non-U.S. currency or any right or option to acquire or dispose of a non-U.S. currency, including a put or call; and

- any commodity or any right or option to acquire or dispose of a commodity, including a put or call, a straddle, or futures, forward, or spot contract, or any notional principal contract relating to any such commodity, right, or option (whether or not traded on an exchange);

(c) invest or deposit in obligations of the United States or any agency or instrumentality thereof, time deposits in and certificates of deposit of banks, the long term debt of which is rated not less than AA by Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P"), securities issued by corporations the long-term debt of which is rated not less than AA by S&P, or commercial paper which is rated A-1 by S&P, in each case having a maturity of not more than 91 days from the date of issuance, or foreign money market mutual funds, or other short-term investments which have at the time of investment a rating of AAA by S&P; and

(d) vote proxies, grant consents solicited by or with respect to the issuers of securities in which assets of the Account may be invested from time to time, provided that Company reserves the right to exercise or direct the exercise of voting rights with respect to securities which are Account assets or grant its consent with respect to solicitations by or with respect to the issuers of such securities, in each case upon consultation with Company.

2. Portfolio Transactions.

(a) AIM may place orders for the execution of transactions for the Account with or through Investment Service Providers as AIM may select. AIM agrees that securities are to be purchased through such brokers as, in AIM's best judgment, shall offer the best combination of price and execution. AIM, in seeking to obtain best execution of portfolio transactions for the Account, may consider the quality and reliability of brokerage services, as well as research and investment information and other services provided by brokers or dealers. AIM may cause the Account to pay a broker or dealer that provides brokerage and research services to AIM an amount of commission for effecting a transaction in excess of the amount of commission that another broker or dealer would have charged for effecting that transaction, if AIM determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker or dealer. These brokerage and research services may also assist AIM in rendering services to other clients, and not all such services will necessarily be used in connection with the Account. In addition, where permitted by applicable legal and regulatory requirements, AIM or its affiliates may execute transactions on behalf of the Account.

(b) Company authorizes AIM to, at AIM's discretion, bunch or aggregate orders for the Account with orders of other clients and to allocate the aggregate amount of the investment among accounts (including accounts in which AIM, its affiliates and/or their personnel have beneficial interests) in a manner in which AIM shall determine is fair over time to the participating accounts. When portfolio decisions are made on an aggregated basis, AIM may in its discretion, place a large order to purchase or sell a particular security for the Account and the accounts of several other clients. Because of the prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may be averaged and the Account will be charged or credited with the average price; and the effect of the aggregation may operate on some occasions to Company's disadvantage. Although in such an instance Company will be charged the average price, AIM will make the information regarding the actual transactions available to Company upon Company's request. Neither AIM nor its affiliates, however, are required to bunch or aggregate orders, and therefore Company may not receive the average price on any given trade.

3. Affiliated Brokerage; Principal Transactions

(a) Subject to AIM's execution obligations described in Section 2 above, Company hereby authorizes AIM, when determined by AIM in its capacity of a fiduciary to be in the best interest of Company, to effect agency transactions and agency cross-transactions through affiliated broker-dealers. Such transactions shall be effected at prevailing market levels in accordance with the procedures under Rule 17a-7(b) of the U.S. Investment Company Act of 1940 and other applicable law. Company at any time without penalty may terminate in whole or in part its authorization to effect such transactions by written notice to AIM.

(b) When determined by AIM in its capacity as a fiduciary to be in the best interest of Company, AIM may effect transactions in which, acting for its own account or an account of its affiliate, AIM buys a security from, or sells a security to, Company, with Company's consent after written disclosure by AIM to Company of the transaction and the capacity in which AIM is acting before the completion of such transaction, in accordance with applicable regulatory requirements.

4. Information and Reports

AIM shall or shall direct the Investment Service Providers to provide to Company copies of all Account statements and Account information to Company. Monthly, AIM shall provide Company a written report and inventory of the Account in a format approved by Company and such other reports and information as Company shall request. Valuation levels for the assets listed in the written report and inventory will reflect AIM's good faith effort to ascertain fair market levels (including accrued income, if any) for the securities and other assets in the Account based on pricing and valuation information believed by AIM to be reliable for round lot sizes. Then current exchange rates will be applied in valuing holdings in foreign currency.

5. Custody

Custody of the cash and assets of the General Account shall be held by a custodian (the "Custodian") appointed by Company pursuant to a separate custody agreement or by Company itself. Custody of the cash and assets of the Trust Accounts shall be held by a trustee or trustees (the "Trustee(s)") appointed by Company pursuant to the Trust Agreements or other separate trust agreement. The Custodian and the Trustee are qualified custodians as defined in Section 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Company authorizes AIM to give Custodian and the Trustee instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalents or other investment for Company. Except as provided in Section 1 and the Trust Agreements, exclusive responsibility for the custody and safekeeping of Company's assets constituting the Account shall remain with the Custodian and the Trustee, and AIM and its affiliates shall not have custody or physical control of the assets and cash in the Account. AIM shall provide the Custodian and the Trustee with such documents and information, including certification of AIM's duly authorized representatives, as the Custodian or Trustee may reasonably request. All directions given by AIM to the Custodian shall be in writing, and signed by an authorized representative of AIM; provided, however, that the Custodian may accept oral directions from AIM, subject to confirmation in writing. AIM's directions to the Trustee shall be given as provided in the Trust Agreements. Company will give AIM reasonable prior notice of any change the Custodian or the Trustee, together with the name and other relevant information with respect to the new Custodian or Trustee.

6. Compensation and Reimbursement of Expenses

(a) Subject to section 6(d) below, within 30 days of the end of each calendar quarter, Company shall pay to AIM an amount equal to 0.0875% of the average value of the Account for the preceding calendar quarter.

(b) Company shall be responsible for the investment expenses of the Account, as well as expenses incurred in connection with carrying out its own accounting, auditing, and compliance policies, procedures, and other obligations with respect to the Account. Company shall reimburse AIM for the payment of reasonable expenses incurred by AIM with respect to such policies, procedures, and obligations of Company, but in no event shall Company be responsible for AIM's general overhead expenses or expenses of AIM in carrying out its own accounting, auditing and compliance policies, procedures or obligations. Investment expenses shall include brokerage commissions, transfer fees, registration costs, taxes and other similar costs and transaction-related expenses and fees arising out of transactions in the Account. AIM may, at its discretion, make payments out of fees received from Company pursuant to this Agreement to any Investment Service Provider from which it obtains investment advisory services, including Investment Service Providers that are affiliates of AIM, and Company shall have no obligation to compensate such Investment Service Provider for such services.

(c) Custodial fees are charged separately by the Custodian for the General Account and are not included in the investment advisory fee due AIM pursuant to this Agreement. Company will pay any custodial fees directly from the custodial account. Trustee fees may not be paid from the Trust Accounts; Company will pay any trustee fees due under the Trust Agreements.

(d) AIM agrees to waive the investment advisory fee due pursuant to Section 6(a) of this Agreement on any assets of the Account invested in any collective investment vehicle advised or sponsored by AIM or any of its affiliates.

7. Directions to AIM

All directions by or on behalf of Company to AIM shall be in writing signed either by Company or by an authorized agent of Company or, if by telephone, confirmed in writing. For this purpose, the term in writing, shall include directions given by facsimile. A list of persons authorized to give instructions to AIM hereunder with specimen signatures, is set out in Appendix C to this Agreement. Company may revise the list of authorized persons from time to time by sending AIM a revised list which has been certified either by Company or by a duly authorized agent of Company. AIM shall incur no liability whatsoever in relying upon any direction from, or document signed by, any person reasonably believed by it to be authorized to give or sign the same, whether or not the authority of such person is then effective. AIM shall be under no duty to make any investigation or inquiry as to any statement contained in any writing and may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. Directions given by Company to AIM hereunder shall be effective only upon actual receipt by AIM and shall be acknowledged by AIM through its actions hereunder only, unless Company is advised by AIM otherwise.

8. Term and Termination

(a) This Agreement shall remain in effect from for a period of one year from the Effective Date (the “Initial Term”). Thereafter, this Agreement shall automatically renew for successive one year terms unless (i) AIM or Company, as the case may be, provides notice thirty (30) days prior to the end of a term of its intent not to renew, or (ii) this Agreement is terminated pursuant to sections 8(b) and (c) below.

(b) Following the Initial Term, the Agreement may be terminated at any time by either party upon thirty (30) days written notice.

(c) Company may terminate this Agreement immediately, upon written notice, upon the occurrence of any of the following events:

i. AIM fails to comply with any term or condition of this Agreement, or for whatever reason, does not commence fulfillment of duties provided in this Agreement, or once having commenced its duties, engages in neglect of its duties and obligations hereunder, fails or refuses to act to carry out its duties and obligations hereunder;

ii. AIM is sold, undergoes a material change in ownership, in its capital participation or control, change in management, board of directors, officers or key personnel or causes to be sold, transferred or pledged all or substantially all of its stock or assets to a third party; or

iii. AIM suffers the loss, suspension or revocation of any license or certificate of authority from any regulatory body that is material to the performance of its duties and obligations herein, or such license becomes invalid or expires and is not renewed without any lapse.

9. Confidentiality

It is understood and agreed that all information pertaining to Company, whether developed by AIM or Company, is the sole and exclusive property of Company ("Proprietary Information"). AIM shall maintain the confidentiality of the Proprietary Information and upon termination of this Agreement shall return or destroy all Proprietary Information as directed by Company. It is further understood and agreed that all of Company's files and records shall be made available only to inspection by directors, officers and employees of AIM, the directors, officers, employees and independent auditors of Company, and anyone properly authorized in writing by Company. Notwithstanding the above, Proprietary Information may be disclosed if (i) requested by or through, or related to a judicial, administrative, governmental or self-regulatory organization process, investigation, inquiry or proceeding, or is otherwise legally required, (ii) required in order for each party to carry out its responsibilities hereunder, or (iii) permitted upon the prior written consent of the other party. Company and AIM shall cooperate in responding to any governmental inquiry or investigation.

10. Choice of Law

This Agreement shall be governed and construed by the laws of the Islands of Bermuda. Each party submits to the jurisdiction of the courts of the Islands of Bermuda, which shall be the exclusive forum for adjudicating any dispute based on, arising out of, or in connection with this Agreement.

11. Assignment

No assignment of this Agreement shall be made by AIM without the written consent of Company. For purposes of this Agreement, the term "assignment" shall have the meaning given it by Section 202(a)(1) of the Advisers Act.

12. Notices

(a) All notices, requests, demands and other communications under this Agreement shall be in writing and delivered in person, by fax, e-mail, recognized overnight courier, or certified mail, postage prepaid and properly addressed as follows

To Company:

Maiden Insurance Company, Ltd.
7 Reid Street
Hamilton HM 12, Bermuda

Attention: Bentzion S. Turin
Fax No.: 441-292-5796

To AIM:

AII Insurance Management Limited
7 Reid Street
Hamilton HM 12, Bermuda

Attention: Michael Bott
Fax No.: 441-292-5796

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

Maiden Insurance Company, Ltd.

By: /s/ Bentzion S. Turin
Bentzion S. Turin
Director

AII Insurance Management Limited

By: /s/ Andre Dill
Andre Dill
Assistant Secretary

REINSURANCE BROKERAGE AGREEMENT

This REINSURANCE BROKERAGE AGREEMENT (this "Agreement") is made and entered into as of July 3, 2007 by and between Maiden Insurance Company, Ltd., a Bermuda company ("Maiden"), and AII Reinsurance Broker Ltd., a Bermuda company ("ARBL").

WHEREAS, Maiden is duly licensed in Bermuda to transact insurance business as a Class 3 insurer; and

WHEREAS, ARBL is duly licensed in Bermuda to transact business as an insurance broker; and

WHEREAS, ARBL is a subsidiary of AmTrust Financial Services, Inc. ("AmTrust"); and

WHEREAS, Maiden wishes to appoint ARBL as its broker for procurement or placement of reinsurance to be assumed by Maiden from insurance company subsidiaries of AmTrust (the "AmTrust Ceding Insurers"), and ARBL wishes to accept such appointment; and

WHEREAS, (a) AmTrust International Underwriters, Ltd. and IGI Insurance Company (being AmTrust Ceding Insurers), as ceding companies, and Maiden, as reinsurer, have entered into that certain Quota Share Reinsurance Agreement, dated the date hereof, and (b) Rochdale Insurance Company, Technology Insurance Company, Inc. and Wesco Insurance Company (being AmTrust Ceding Insurers), as ceding companies, and Maiden, as reinsurer, intend to enter into a Quota Share Reinsurance Agreement following receipt of regulatory approvals therefor (the agreements described in (a) and (b), together, the "Initial Reinsurance Agreements"); and

WHEREAS, ARBL has provided, and desires to continue to provide, certain of the Services (as defined below) to Maiden in connection with the Initial Reinsurance Agreements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Maiden and ARBL agree as follows:

1. APPOINTMENT AND AUTHORITY

1.1 Maiden hereby engages and appoints ARBL, and ARBL hereby accepts appointment, as a reinsurance broker to provide, as requested from time to time by Maiden, the following services with respect to the assumption of reinsurance by Maiden from AmTrust Ceding Insurers (collectively, the "Services"):

a. At the direction of Maiden, to submit proposals for reinsurance and reinsurance markets approved by Maiden;

b. To make recommendations to Maiden regarding such reinsurance coverage;

c. To maintain records regarding reinsurance procured and administered on behalf of Maiden as required by applicable law and regulation; and

d. If directed by Maiden, to administer reporting requirements in connection with reinsurance placed on behalf of Maiden.

1.2 ARBL shall perform all Services in accordance with any standards and guidelines developed by Maiden from time to time and communicated to ARBL. ARBL shall perform all Services in a professional and timely manner.

1.3 Nothing contained herein shall create the relationship of employer and employee between Maiden and ARBL. Except as set forth herein, Maiden shall have no right of control over personnel supplied by ARBL as to the time, means, or manner of performance of such personnel's duties hereunder. ARBL shall conduct itself and its business under the terms of this Agreement solely as an independent contractor.

2. TERM OF AGREEMENT & TERMINATION

This Agreement is effective as of July 3, 2007, and may be terminated by Maiden at any time upon not less than 15 days prior written notice to ARBL.

3. RECORDS

ARBL shall comply with Maiden's request for any information relating to this Agreement. Additionally, Maiden, or its authorised representatives, shall have the right to inspect at any reasonable time at ARBL's offices, and shall be permitted to make and retain copies of, all papers, books, accounts, documents, claims files and other records of ARBL relating to this Agreement. Maiden's right of inspection shall continue to exist after the termination of this Agreement. The books, accounts, and records of each party shall be so maintained as to clearly and accurately disclose the nature and details of the transactions under this Agreement. In any event, each party shall own and have custody of its own general corporate accounts and records. Upon termination of this Agreement, each party shall deliver to the other party all books and records that are, or are deemed by this Agreement to be, the property of such other party.

4. COMPENSATION

Maiden shall pay to ARBL during the term of this Agreement, as consideration for the provision of the Services, 1.25% of all gross written premium ceded by AmTrust Ceding Insurers to Maiden pursuant to reinsurance agreements entered between Maiden and such AmTrust Ceding Insurers from time to time. For greater certainty, ARBL shall be entitled to the foregoing rate of compensation with respect to Maiden's quota share of the Subject Premium (as defined in the Initial Reinsurance Agreements) ceded to it from time to time under the Initial Reinsurance Agreements.

5. ARBITRATION

5.1 As a condition precedent to any right of action hereunder, any dispute arising out of the interpretation, performance or breach of this Agreement, including the formation or validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration will be in writing and sent certified or registered mail, return receipt requested.

5.2 Each party shall choose one arbitrator and the two arbitrators shall, before instituting the hearing, choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within thirty (30) days after being requested to do so by the other party, the latter, after ten (10) days notice by certified or registered mail of its intention to do so, may appoint the second arbitrator.

5.3 If the first two arbitrators are unable to agree upon the third arbitrator within thirty (30) days of their appointment, each arbitrator shall name three candidates within ten days thereafter, two of whom shall be declined by the other arbitrator within fifteen days after receiving their names, and within five days the choice shall be made between the two remaining candidates by drawing lots. All arbitrators shall be disinterested active or former executive officers of insurance or reinsurance companies or Underwriters at Lloyd's.

5.4 Within thirty (30) days after notice of appointment of all arbitrators, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules for hearings. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Unless the panel agrees otherwise, arbitration shall take place in New York, New York, but the venue may be changed when deemed by the panel to be in the best interest of the arbitration proceeding. Insofar as the arbitration panel looks to substantive law, it shall consider the law of the New York. The decision of any two arbitrators when rendered in writing shall be final and binding. The panel is empowered to grant interim relief as it may deem appropriate.

5.5 The panel shall make its decision considering the custom and practice of the applicable insurance and reinsurance business as promptly as possible following the termination of hearings. Judgement upon the award may be entered in any court having jurisdiction thereof. Except as provided above, arbitration shall be based, insofar as applicable, upon the arbitration procedures of ARIAS US.

5.6 Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. In the event that both arbitrators are chosen by one party, the fees of all arbitrators shall be equally divided between the parties. The panel shall allocate the remaining costs of the arbitration.

6. MISCELLANEOUS

6.1 Governing Law. This Agreement shall be governed as to all disputes arising under this Agreement by the laws of the State of New York without regard to the principles of conflicts of laws.

6.2 Entire Agreement. This Agreement contains the entire agreement between the parties hereto relating to the subject matter hereof and supersedes and replaces all oral statements and prior writings with respect thereto.

6.3 Assignment and Amendment. Neither party hereto may assign any of its rights or obligations hereunder without the prior written consent of the other party hereto. No amendment or modification of this Agreement will be effective unless it is in writing and signed by both parties hereto.

6.4 Counterparts. This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but will not be effective until each party has executed at least one counterpart. Each counterpart will constitute an original of this Agreement, but all the counterparts will together constitute but one and the same instrument. All signatures of the parties to this Agreement may be transmitted by facsimile, and such facsimile will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces and will be binding upon such party.

6.5 Waiver. Except as otherwise expressly set forth in this Agreement, there shall be no waiver of any breach of the terms of this Agreement, nor waiver of any right, remedy, power or privilege conferred by this Agreement, except as notified in writing by the party waiving to the other party, or as otherwise expressly provided for in this Agreement. Notwithstanding this, and for the avoidance of doubt:

a. any waiver of a breach of any term of this Agreement or of any default hereunder shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement; and

b. no failure to exercise and no delay on the part of any party in exercising any right, remedy, power or privilege of that party under this Agreement and no course of dealing between the parties shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any right, remedy, power or privilege. The rights and remedies provided by this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.

6.6 Headings. The headings of this Agreement are inserted for convenience only, and shall not affect the meaning or construction of any provision of this Agreement.

6.7 Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission (and immediately after transmission confirmed by telephone), or sent by certified, registered or express mail, postage prepaid; provided, however, that the party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission (and immediately after transmission confirmed by telephone), or, if mailed, on the date shown on the receipt therefor, as follows (or to such other address or facsimile number as the party shall furnish the other party in accordance with this paragraph):

If to Maiden, to:

7 Reid Street
Hamilton HM 12, Bermuda

Attention: Bentzion S. Turin
Fax No.: 441-292-5796

If to ARBL, to:

7 Reid Street
Hamilton HM 12, Bermuda

Attention: Michael Bott
Fax No.: 441-292-5796

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their respective duly authorized officers.

MAIDEN INSURANCE COMPANY, LTD.

By: /s/ Bentzion S. Turin
Dated: July 3, 2007

AII REINSURANCE BROKER LTD.

By: /s/ Andre Dill
Dated: July 3, 2007

EXHIBIT 21.1

List of Subsidiary of Maiden Holdings, Ltd.

Entity	Country of Incorporation
Maiden Insurance Company, Ltd.	Bermuda

EXHIBIT 23.1

PricewaterhouseCoopers
Chartered Accountants
Dorchester House
7 Church Street
Hamilton HM 11
Bermuda
Telephone +1 (441) 295 2000
Facsimile +1 (441) 295 1242
www.pwc.com/bermuda

September 17, 2007

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated September 17, 2007 relating to the June 14, 2007 financial statements of Maiden Holdings, Ltd., which appears in such Registration Statement. We also consent to the references to us under the heading "Experts" in such Registration Statement.

Chartered Accountants

A list of partners can be obtained from the above address
PricewaterhouseCoopers refers to the members of the worldwide PricewaterhouseCoopers organisation

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Max G. Caviet and Bentzion S. Turin and each of them, with full power of substitution and full power to act, his true and lawful attorney-in-fact and agent to act for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the registration statement of Maiden Holdings, Ltd., any and all registration statements filed pursuant to Rule 462(b) of the Securities Act of 1933 (including post-effective amendments) to register additional securities and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in order to effectuate the same as fully, to all intents and purposes, as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Power of Attorney has been signed below by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Barry D. Zyskind Barry D. Zyskind	Chairman of the Board	August 21, 2007
/s/ Max G. Caviet Max G. Caviet	President, Chief Executive Officer and Director (Principal Executive Officer)	August 21, 2007
/s/ Ronald E. Pipoly, Jr. Ronald E. Pipoly, Jr.	Interim Chief Financial Officer (Principal Financial and Accounting Officer)	August 21, 2007
/s/ Bentzion S. Turin Bentzion S. Turin	Chief Operating Officer, General Counsel and Assistant Secretary	August 21, 2007
/s/ Simcha Lyons Simcha Lyons	Director	August 21, 2007
/s/ Raymond N. Neff Raymond N. Neff	Director	August 21, 2007
/s/ Steven H. Nigro Steven H. Nigro	Director	August 21, 2007

UNITED STATES

SECURITIES AND EXCHANGES COMMISSION

Washington, D.C. 20549

FORM F-N

APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

BY FOREIGN BANKS AND FOREIGN INSURANCE

COMPANIES AND CERTAIN OF THEIR HOLDING COMPANIES

AND FINANCE SUBSIDIARIES MAKING PUBLIC OFFERINGS

OF SECURITIES IN THE UNITED STATES

A. Name of issuer or person filing ("Filer"): Maiden Holdings, Ltd.

B. This is (select one):

x an original filing for the Filer

o an amended filing for the Filer

C. Identify the filing in conjunction with which this Form is being filed:

Name of registrant: Maiden Holdings, Ltd.

Form type: Form S-1

File Number (if known):

Filed by: Maiden Holdings, Ltd.

Date Filed (if filed concurrently, so indicate): Filed concurrently with the registration Statement on Form S-1.

D. The Filer is incorporated or organized under the laws of (Name of the jurisdiction under whose laws the filer is organized or incorporated)

Bermuda

and has its principal place of business at (Address in full and telephone number)

7 Reid Street, Hamilton HM 11, Bermuda

(Telephone: 441-295-5225)

E. The filer designates and appoints (Name of United States person serving as agent)

CT Corporation System ("Agent") located at (Address in full in the United States and telephone number)

111 Eighth Avenue, New York, NY 10011, (Telephone: 212-590-9330) as the agent of the Filer upon whom may be served any process, pleadings, subpoenas, or other papers in:

(a) any investigation or administrative proceeding conducted by the Commission, and

(b) any civil suit or action brought against the Filer or to which the Filer has been joined as defendant or respondent, in any appropriate court in any place subject to the jurisdiction of any state or of the United States or any of its territories or possessions or of the District of Columbia, arising out of or based on any offering made or purported to be made in connection with the securities registered by the Filer on Form (Name of Form) S-1 filed on (Date) September 17, 2007 or any purchases or sales of any security in connection therewith. The Filer stipulates and agrees that any such civil suit or action or administrative proceeding may be commenced by the service of process upon, and that service of an administrative subpoena shall be effected by service upon, such agent for service of process, and that the service as aforesaid shall be taken and held in all courts and administrative tribunals to be valid and binding as if personal service thereof had been made.

F. Each person filing this Form stipulates and agrees to appoint a successor agent for service of process and file an amended **Form F-N** if the Filer discharges the Agent or the Agent is unwilling or unable to accept service on behalf of the Filer at any time until six years have elapsed from the date of the Filer's last registration statement or report, or amendment to any such registration statement or report, filed with the Commission under the Securities Act of 1933 or Securities Exchange Act of 1934. Filer further undertakes to advise the Commission promptly of any change to the Agent's name or address during the applicable period by amendment of this Form referencing the file number of the relevant registration form in conjunction with which the amendment is being filed.

G. Each person filing this form undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities registered pursuant to the form referenced in paragraph E or transactions in said securities.

The Filer certifies that it has duly caused this power of attorney, consent, stipulation and agreement to be signed on its behalf by the undersigned, thereunto duly authorized, in the

City of Hamilton, Country of Bermuda

this 17th day of September, 2007

Filer: Maiden Holdings, Ltd.

By (Signature and Title):

/s/ Bentzion S. Turin
Name: Bentzion S. Turin
Title: Chief Operating Officer, General Counsel and Assistant Secretary

This statement has been signed by the following persons in the capacities and on the dates indicated.

(Signature) /s/ Mark S. Eppley

Name: Mark S. Eppley

(Title) Officer of CT Corporation

(Date) September 17, 2007

Instructions

1. The power of attorney, consent, stipulation and agreement shall be signed by the Filer and its authorized Agent in the United States.

2. The name of each person who signs **Form F-N** shall be typed or printed beneath his signature. Where any name is signed pursuant to a board resolution, a certified copy of the resolution shall be filed with each copy of the Form. If any name is signed pursuant to a power of attorney, a manually signed copy of each power of attorney shall be filed with each copy of the Form.

SEC'S COLLECTION OF INFORMATION

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Filing of this Form is mandatory. Rule 489 under the Securities Act of 1933 [17 CFR 230.489] requires foreign banks and foreign insurance companies and holding companies and finance subsidiaries of foreign banks and foreign insurance companies that are excepted from the definition of "investment company" by virtue of rules 3a-1,3a-5, and 3a-6 under the Investment Company Act of 1940 to file Form F-N to appoint an agent for service of process in the United States when making a public offering of securities. The information collected on Form F-N is publicly available. Any member of the public may direct to the Commission any comments concerning the accuracy of the burden estimate of this Form and any suggestions for reducing the burden of the Form. This collection of information has been reviewed by the Office of Management and Budget in accordance with the clearance requirements of 44 U.S.C. Section 3507.