UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported) November 3, 2008

Maiden Holdings, Ltd.

(Exact name of registrant as specified in its charter)

Bermuda	001-34042	N/A
(State or other jurisdiction of incorporation)	(Commission File Number)	IRS Employer Identification No.)

48 Par-la-Ville Road, Suite 1141, Hamilton	HM11
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (441) 292-7090

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4 (c))

Item 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

As previously reported in the Current Report on Form 8-K dated November 3, 2007, the Registrant's wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA"), entered into an agreement to acquire GMAC RE LLC, the reinsurance managing general agent writing business on behalf of Motors Insurance Corporation, and the renewal rights for the business written by GMAC RE. The transaction closed simultaneously with the signing of the agreements. In connection with the closing of the transaction, GMAC RE management and employees have transitioned to Maiden NA and GMAC RE was renamed Maiden RE. This Amendment No. 1 on Form 8-K/A amends and supplements the November 3, 2008 Form 8-K of the Company to include financial statements and pro forma financial information.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of business acquired.

The following financial statements required by Item 9.01(a) of form 8-K are attached hereto as Exhibit 99.1 and 99.2.

Exhibit 99.1

(i) Interim Unaudited Condensed Carve-Out Financial Statements of GMAC RE (A Carve-out of GMAC Insurance Holdings LLC) for the nine months ended September 30, 2008 and 2007

Report of Independent Registered Public Accounting Firm
Condensed Balance Sheets as of September 30, 2008 (Unaudited) and December 31, 2007
Unaudited Condensed Statements of Operations for the nine months ended September 30, 2008 and 2007
Unaudited Condensed Statements of Division Equity for the nine months ended September 30, 2008 and 2007
Unaudited Condensed Statements of Cash Flows for the nine months ended September 30, 2008 and 2007.
Notes to the Unaudited Condensed Carve-Out Financial Statements

Exhibit 99.2

(ii) Carve-Out Financial Statements of GMAC RE (A Carve-out of GMAC Insurance Holdings LLC) for the years ended December 31, 2007, 2006 and 2005.

Report of Independent Registered Public Accounting Firm
Carve-Out Balance Sheets as of December 31, 2007 and 2006
Carve-Out Statements of Operations for the years ended December 31, 2007, 2006 and 2005
Carve-Out Statements of Division Equity for the year ended December 31, 2007, 2006 and 2005
Carve-Out Statements of Cash Flows for the year ended December 31, 2007, 2006 and 2005
Notes to the Carve-Out Financial Statements

(b) Pro Forma financial information

The following unaudited condensed consolidated pro forma financial information required by Item 9.01(b) of Form 8-K is attached as Exhibit 99.3.

Unaudited Pro Forma Financial Information
Unaudited Condensed Consolidated Pro Forma Balance Sheet as of September 30, 2008
Unaudited Condensed Consolidated Pro Forma Statement of Income for the nine months ended September 30, 2008
Unaudited Condensed Consolidated Pro Forma Statement of Income for the year ended December 31, 2007
Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements

(c) Not applicable
(d) Exhibits.

Exhibit Number	Description
23.1	Consent of BDO Seidman, LLP
99.1	Report of Independent Registered Public Accounting Firm
	Condensed Balance Sheets as of September 30, 2008(Unaudited) and December 31, 2007
	Unaudited Condensed Statements of Operations for the nine months ended September 30, 2008 and 2007
	Unaudited Condensed Statements of Division Equity for the nine months ended September 30, 2008 and 2007
	Unaudited Condensed Statements of Cash Flows for the nine months ended September 30, 2008 and 2007.
	Notes to the Unaudited Condensed Carve-Out Financial Statements
99.2	Report of Independent Registered Public Accounting Firm
	Carve-Out Balance Sheets as of December 31, 2007 and 2006
	Carve-Out Statements of Operations for the years ended December 31, 2007, 2006 and 2005
	Carve-Out Statements of Division Equity for the year ended December 31, 2007, 2006 and 2005
	Carve-Out Statements of Cash Flows for the year ended December 31, 2007, 2006 and 2005
	Notes to the Carve-Out Financial Statements
99.3	Unaudited Pro Forma Financial Information
	Unaudited Condensed Consolidated Pro Forma Balance Sheet as of September 30, 2008
	Unaudited Condensed Consolidated Pro Forma Statement of Income for the nine months ended September 30, 2008
	Unaudited Condensed Consolidated Pro Forma Statement of Income for the year ended December 31, 2007
	Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Maiden Holdings, Ltd.
(Registrant)

Date: January 20, 2009

/s/ Michael J. Tait
Michael J. Tait
Chief Financial Officer

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Maiden Holding, Ltd.
Hamilton, Bermuda

We consent to the inclusion in this current report on Form 8-K/A and the incorporation by reference in the registration statement on Form S-1 (Registration No. 333-146137) of Maiden Holdings, Ltd. of our report dated December 11, 2008 relating to the carve-out financial statements of GMAC RE as of December 31, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005.

We also consent to the reference to us under the caption “Experts” in the registration statement.

/S/ BDO Seidman, LLP

BDO Seidman, LLP
New York, NY

January 19, 2009

<u>Exhibit 99.1</u>

GMAC Re

Condensed Carve-Out Financial Statements of GMAC Re
(A Carve-Out of GMAC Insurance Holdings LLC)
As of and for the nine months ended September 30, 2008 and 2007

GMAC RE

INDEX TO CONDENSED CARVE-OUT FINANCIAL STATEMENTS OF GMAC RE
(A Carve-Out of GMAC Insurance Holdings LLC)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
GMAC RE

We have reviewed the condensed carve-out balance sheets of GMAC RE as of September 30, 2008, and the related condensed carve-out statements of operations, division equity and cash flows for the nine-month periods ended September 30, 2008 and 2007. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the carve-out balance sheets of GMAC RE as of December 31, 2007 and 2006, and the related statements of operations, division equity, and cash flows for the years ended December 31, 2007, 2006 and 2005 (not presented herein); and in our report dated December 11, 2008, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed carve-out balance sheet as of December 31, 2007 is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

/S/ BDO Seidman, LLP

New York, NY

January 13, 2009

GMAC RE
CONDENSED BALANCE SHEETS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(In thousands of dollars)

	(unaudited) September 30, 2008	December 31, 2007
ASSETS		
Investments available-for-sale - at fair value:		
Debt securities (amortized cost of $568,924 and $504,130, respectively)	$ 572,593	$ 513,826
Cash and cash equivalents	46,672	10,755
Premiums and other receivables - net	190,289	142,240
Reinsurance recoverables on unpaid losses	74,795	44,023
Prepaid reinsurance premiums	14,549	12,295
Deferred acquisition costs	48,971	35,159
Securities lending collateral	-	4,289
Deferred taxes	43,311	38,347
Receivable from GMACI Holdings	420,360	497,340
Other assets	1,998	896
TOTAL ASSETS	$ 1,413,538	$ 1,299,170
LIABILITIES AND DIVISION EQUITY		
LIABILITIES:		
Unpaid losses and loss adjustment expenses	$ 840,335	$ 772,473
Unearned premiums and revenue	246,899	189,304
Reinsurance payable	15,944	14,645
Accounts payable	1,746	2,337
Securities lending obligation	-	4,289
Other liabilities	5,900	8,371
TOTAL LIABILITIES	1,110,824	991,419
COMMITMENTS AND CONTINGENCIES (see notes 9 and 10)		
DIVISION EQUITY	302,714	307,751
TOTAL LIABILITIES AND DIVISION EQUITY	$ 1,413,538	$ 1,299,170

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

GMAC RE
CONDENSED STATEMENTS OF OPERATIONS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(In thousands of dollars)

	(unaudited) Nine months ended September 30,	
	2008	**2007**
REVENUE:		
Premiums and revenue earned	$ 367,975	$ 367,006
Net investment income	40,803	42,269
Other revenue	265	-
Total revenue	409,043	409,275
LOSSES AND EXPENSES:		
Losses and loss adjustment expenses	274,289	238,961
Policy acquisition costs	74,332	77,578
General and administrative expense	22,792	24,712
Depreciation and amortization expense	465	847
Other expense	413	399
Total expenses	372,291	342,497
INCOME BEFORE PROVISION FOR TAXES	36,752	66,778
PROVISION FOR INCOME TAXES	12,863	23,372
NET INCOME	$ 23,889	$ 43,406

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

GMAC RE
CONDENSED STATEMENTS OF DIVISION EQUITY
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(In thousands of dollars)

(unaudited)		
Balance at December 31, 2006	$	281,543
Net distributions to GMACI		(34,349)
Comprehensive income:		
Net income		43,406
Other comprehensive income, net of tax of $2,334		4,334
Balance at September 30, 2007	$	294,934

(unaudited)		
Balance at December 31, 2007	$	307,751
Net distributions to GMACI		(25,009)
Comprehensive income:		
Net income		23,889
Other comprehensive loss, net of tax of $2,111		(3,917)
Balance at September 30, 2008	$	302,714

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

GMAC RE
CONDENSED STATEMENTS OF CASH FLOWS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(In thousands of dollars)

	Nine months ended September 30,	
	2008	**2007**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 23,889	$ 43,406
Reconciliation of net income to net cash provided by operating activities:		
Net amortization of discounts and premiums on investments	88	(82)
Depreciation and amortization	465	847
Net realized loss on available-for-sale investments	2	3
Net change in assets and liabilities:		
Premiums and other receivables	(48,049)	(58,684)
Deferred policy acquisition costs	(13,812)	(4,235)
Unpaid losses and loss adjustment expenses, net of reinsurance	37,090	32,666
Unearned premiums and revenue, net of reinsurance	55,341	44,836
Reinsurance payable	1,299	1,997
Deferred income taxes, net	(2,853)	(2,948)
Accounts payable	(591)	(197)
Other changes in assets and liabilities	74,333	37,651
Net cash provided by operating activities	127,202	95,260
CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed maturities:		
Purchases	(134,893)	(46,267)
Calls and maturities	68,274	18,176
Sales	1,735	1,677
Securities lending collateral	4,289	1,123
Securities lending obligation	(4,289)	(1,123)
Other investing	(1,392)	(377)
Net cash used in investing activities	(66,276)	(26,791)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net distributions to GMACI Holdings	(25,009)	(34,349)
Net cash used in financing activities	(25,009)	(34,349)
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,917	34,120
CASH AND CASH EQUIVALENTS - Beginning of period	10,755	16,408
CASH AND CASH EQUIVALENTS - End of period	$ 46,672	$ 50,528

The accompanying notes are an integral part of these unaudited condensed carve-out financial statements.

1. ORGANIZATION

GMAC RE (the "Company" or "GMAC RE") is an indirect wholly-owned subsidiary of GMAC LLC ("GMAC"), a global retail financial services firm comprised of approximately 15 million customers. GMAC RE is headquartered in Mt. Laurel, New Jersey, and includes reinsurance operations of GMAC Insurance ("GMACI"), a reinsurance segment of GMAC and wholly-owned subsidiary of GMACI Holdings LLC ("GMACI Holdings"). GMAC RE has a well-defined niche strategy focused on regional property and casualty ("P&C") insurance companies. Its portfolio includes treaty and facultative P&C reinsurance produced both through brokers and on a direct basis, accident and health ("A&H") reinsurance operations and excess and surplus ("E&S") insurance operations underwritten by the Strategic Risk Specialists ("SRS") group.

GMAC RE manages its business mix by underwriting groups, including broker treaty reinsurance, direct treaty reinsurance, facultative reinsurance, A&H reinsurance and SRS (excess and surplus insurance) reinsurance. As part of its product mix and risk management strategy, the Company does not underwrite volatile lines of business such as professional liability, product liability, and directors' and officers' liability.

The Company's two largest operating units are focused on providing treaty reinsurance to U.S. regional P&C insurers through brokers and on a direct basis. Covered risks include primarily personal and commercial auto, commercial multi-peril and workers' compensation. GMAC RE's specialty facultative segment is focused on providing reinsurance of individual commercial auto and workers' compensation to U.S. regional insurers. In 2005, the Company established the A&H segment, focusing on reinsurance of employer stop loss programs for self-insured employers. In 2006, GMAC RE added the SRS segment focusing on excess and surplus commercial property lines.

2. ACCOUNTING POLICIES

Basis of Presentation — The condensed carve-out financial statements include the Company's accounts, after eliminating all significant intercompany balances and transactions. The Company's accounting and reporting policies conform to accounting principles generally accepted in the United States of America ("GAAP"). The Company is an integrated business of GMACI that operates as a single business and is not a stand-alone entity. The condensed carve-out financial statements of the Company reflect the assets, liabilities, revenues and expenses directly attributable to the Company, as well as allocations deemed reasonable by management, to present the financial position, results of operations, changes in division equity and cash flows of the Company on a stand-alone basis. The allocation methodologies have been described in notes 2, 4 and 8 to the condensed carve-out financial statements. The financial information included herein may not necessarily reflect the financial position, results of operations, changes in division equity and cash flows of the Company in the future or what they would have been had the Company been a separate, stand-alone entity during the periods presented.

Use of Estimates and Assumptions — The preparation of the carve-out financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the reporting period.

The Company's principal estimates include unpaid losses and loss adjustment expense reserves; deferred acquisition costs; reinsurance recoverables, including the provision for uncollectible recoverables; other-than-temporary impairments of investment securities; and taxes. In developing the estimates and assumptions, management uses all available evidence. Because of uncertainties associated with estimating the amounts, timing and likelihood of possible outcomes, actual results could differ from estimates.

Related Party Receivable – The accompanying condensed carve-out financial statements include certain direct and reinsurance business underwritten by various insurance company subsidiaries ("carve-out business") of GMACI. Accordingly, premiums, losses, commissions and related assets and liabilities were carved out from these insurance company subsidiaries' financial statements, which also included other business and activities. With certain exceptions, cash and investments or invested assets related to the carve-out business were generally co-mingled with other business of insurance company subsidiaries. Receivable from GMACI Holdings primarily consists of these co-mingled invested assets held by various insurance company subsidiaries of GMACI. The invested assets amount was allocated based on the sum of division equity and liabilities reduced by other assets of the Company. Receivable from GMACI Holdings also includes current income tax payable or receivable since GMAC files a consolidated tax return and these amounts are settled through intercompany accounts. The balance due from GMACI Holdings as of September 30, 2008 and December 31, 2007 was $420.4 million and $497.3 million, respectively.

Division Equity – GMACI uses an internally developed economic capital model to monitor capital adequacy and funding requirements for its various subsidiaries. This model is based on A.M. Best Capital Adequacy Ratio Model ("BCAR"), which is similar to National Association of Insurance Commissioners ("NAIC") Risk Based Capital model and Standards & Poor's ("S&P") framework. The model makes use of various financial statement inputs such as loss reserves, net written premiums and other assets of the Company. Applied to those inputs are various economic capital factors actuarially determined by evaluating the underwriting and business risks which are adjusted for diversification factors for the benefits achieved by writing multiple lines of business within a given underwriting risk category. The model also uses a multiplier based on the BCAR methodology for A+ rating target. The beginning division equity of $242.7 million as of December 31, 2004 was allocated to the Company using this model. Net distributions to GMACI Holdings included capital contributions and dividends paid to GMACI. The dividend amount was allocated using actual dividends paid to GMACI by its insurance company subsidiaries. The allocated amounts were based on the ratio of net income of the Company to total net income of insurance company subsidiaries of GMACI. This ratio was applied to total dividends paid to GMACI. The net distribution to GMACI and beginning division equity may be materially different if the Company had been a separate, stand-alone entity during the periods presented.

Premiums and Revenue Recognition — Reinsurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies in proportion to coverage provided. The portion of premiums written applicable to unexpired terms of policies is recorded as unearned premium.

The Company generally collects premiums in advance of providing risk coverage to minimize the Company's exposure to credit risk. A policy level evaluation is performed to the extent premiums receivable exceed the related unearned premiums balance. The Company ages this exposure to establish an allowance for doubtful accounts.

Cash and Cash Equivalents — Cash equivalents are short-term, highly liquid investments with original maturities of 90 days or less. Certain securities, with original maturities of 90 days or less, that are held as a portion of longer term investment portfolios are classified as investment securities and not cash equivalents.

Investment Securities — The Company's portfolio of investment securities includes bonds, asset and mortgage-backed securities and other investments. The Company classifies its investments as available-for-sale and, accordingly, investments are carried at fair value with unrealized gains and losses included in other comprehensive income, a component of division equity, on an after-tax basis. The cost of debt securities is adjusted for amortization of premiums and accretion of discounts. Amortization and accretion are included in investment income and the yield is adjusted over the contractual term of the security. Realized gains and losses on investment securities are determined using the specific identification basis.

The Company employs a systematic methodology that considers available evidence in evaluating potential other-than-temporary impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Company evaluates, among other factors, the magnitude and duration of the decline in fair value, the financial health of and business outlook for the issuer, and the Company's intent and ability to hold the investment. When a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded as a realized capital loss and a new cost basis in the investment is established.

Deferred Acquisition Costs — Commissions and other costs of acquiring insurance that are primarily related to and vary with the production of business are deferred. These costs are amortized over the terms of the related policies on the same basis as premiums earned.

Property, Equipment and Software — The Company's property and equipment consist primarily of furniture and equipment, including computers and software, which are stated at cost, net of accumulated depreciation and amortization and are included in other assets. The Company provides for depreciation and amortization of property and equipment using a straight-line method, with useful lives based on the asset class. Certain internal-use software costs are capitalized once specific criteria are met and these costs are amortized on a straight-line basis over three years.

Unpaid Losses and Loss Adjustment Expenses — The reserves for unpaid losses and loss adjustment expenses represent the accumulation of estimates for both reported losses and those incurred but not reported relating to direct insurance and assumed reinsurance agreements. Estimates for salvage and subrogation recoverable are recognized at the time losses are incurred and netted against the provision for losses. Reserves are established for each business at the lowest meaningful level of homogeneous data. Insurance liabilities are based on estimates, and the ultimate liability may vary from such estimates. The estimates are regularly reviewed and adjustments, which can potentially be significant, are included in earnings in the period in which they are deemed necessary.

Reinsurance — The Company cedes insurance risk under various reinsurance agreements. The Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk with other insurance enterprises. The Company remains liable with respect to any reinsurance ceded if the assuming companies are unable to meet their obligations under these reinsurance agreements. The Company also assumes insurance risks from other insurance companies, receiving a premium as consideration for the risk assumed.

Reinsurance recoverables on paid losses and loss adjustment expenses are included in premiums and other receivables. Amounts recoverable from reinsurers on unpaid losses and loss adjustment expenses are reported as an asset and are estimated in a manner consistent with the reinsured policies. Amounts paid to reinsurers relating to the unexpired portion of reinsurance contracts are reported as prepaid reinsurance premiums.

Assessment of Risk Transfer for Structured Insurance and Reinsurance Contracts - For both ceded and assumed reinsurance, risk transfer requirements must be met in order to obtain reinsurance status for accounting purposes, principally resulting in the recognition of cash flows under the contract as premiums and losses. To meet risk transfer requirements, a reinsurance contract must include insurance risk, consisting of both underwriting and timing risk, and a reasonable possibility of a significant loss for the assuming entity. To assess risk transfer for certain contracts, the Company generally develops expected discounted cash flow analyses at contract inception. If risk transfer requirements are not met, a contract is accounted for using the deposit accounting method. Deposit accounting requires that consideration received or paid be recorded in the balance sheet as opposed to premiums written or losses incurred in the statement of operations and any non-refundable fees earned based on the terms of the contract.

For each of its reinsurance contracts, the Company must determine if the contract provides indemnification against loss or liability relating to insurance risk, in accordance with applicable accounting standards. The Company considers all contractual features, particularly those that may limit the amount of insurance risk to which the Company is subject to or features that delay the timely reimbursement of claims. If the Company determines that a contract does not expose it to a reasonable possibility of a significant loss from insurance risk, the Company records the contract on a deposit method of accounting with the net amount receivable/payable reflected in other reinsurance assets or liabilities on the balance sheets. Fees earned on the contracts are reflected as other revenues, as opposed to premiums, on the statements of operations.

Income Taxes — During 2006, GMAC and a number of its U.S. subsidiaries converted to limited liability companies and, effective November 28, 2006, became disregarded or pass-through entities for U.S. federal income tax purposes. For the period ending November 28, 2006 and prior periods, the Company joined with GM and its eligible subsidiaries in the filing of a consolidated federal income tax return as part of a federal income tax allocation agreement between the Company and GMAC. Subsequent to November 28, 2006, GMACI and its subsidiaries continue to be taxable entities subject to U.S. federal, state, and foreign taxes, filing a consolidated U.S. federal income tax return.

The Company accounts for income taxes using the asset and liability method. Deferred income tax assets and liabilities are recorded as temporary differences between the carrying values of assets and liabilities for financial reporting purposes and tax purposes. Deferred tax assets and liabilities are recognized in the carve-out financial statements, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. The Company evaluates the recoverability of deferred tax assets and a valuation allowance is recorded for any portion not expected to be realized. No valuation allowance was deemed necessary for the periods presented in the carve-out financial statements.

New Accounting Standards – In October 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. 157-3, *Determining the Fair Value of a Financial Asset When the Market For That Asset Is Not Active*, with an immediate effective date, including prior periods for which financial statements have not been issued. FSP No. 157-3 amends the Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*, to clarify the application of fair value in inactive markets and allows for the use of management's internal assumptions about future cash flows with appropriately risk-adjusted discount rates when relevant observable market data does not exist. The objective of SFAS No. 157 has not changed and continues to be the determination of the price that would be received in an orderly transaction that is not a forced liquidation or distressed sale at the measurement date. The adoption of FSP No. 157-3 in the third quarter did not have a material effect on the Company's results of operations, financial position or liquidity.

In June 2008, the FASB issued FSP No. 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*. FSP No. 03-6-1 clarifies that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are to be included in the computation of earnings per share under the two-class method described in SFAS No. 128, *Earnings Per Share*. FSP No. 06-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008 and requires all presented prior-period earnings per share data to be adjusted retrospectively. The Company is currently evaluating the impact, if any, that FSP No. 03-6-1 will have on its financial statements.

In May 2008, the FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts*, an interpretation of SFAS No. 60, *Accounting and Reporting by Insurance Enterprises*. SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. SFAS No. 163 also clarifies how SFAS No. 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. SFAS No. 163 also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. The Company is currently evaluating the impact, if any, that SFAS No. 163 will have on its financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles) in the United States. This Statement shall be effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board (“PCAOB”) amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*. The Company does not believe the adoption will have a material impact on its financial condition or results of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. SFAS No. 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company is currently evaluating the impact, if any, that SFAS No. 161 will have on its financial statements.

3. FAIR VALUE

The Company adopted SFAS No. 157 on January 1, 2008, which provides a definition of fair value, establishes a framework for measuring fair value, and requires expanded disclosures about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value; therefore, it does not expand the use of fair value in any new circumstance.

SFAS No.157 establishes a three-level hierarchy to be used when measuring and disclosing fair value. An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Following is a description of the three hierarchy levels:

Level 1 Inputs are quoted prices in active markets for identical asset or liabilities as of the measurement date. Additionally, the entity must have the ability to access the active market and the quoted prices cannot be adjusted by the entity.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs are supported by little or no market activity. The unobservable inputs represent management's best assumptions of how market participants would price the assets or liabilities. Generally, Level 3 assets and liabilities are valued using pricing models, discounted cash flow methodologies, or similar techniques that require significant judgment or estimation.

Available-for-sale securities are carried at fair value, which is primarily based on observable market prices. If observable market prices are not available, the Company's valuations are based on internally developed discounted cash flow models that use a market-based discount rate and consider recent market transactions, experience with similar securities, current business conditions, and analysis of the underlying collateral, as available. In order to estimate cash flows, the Company is required to utilize various significant assumptions including market observable inputs (e.g., forward interest rates) and internally developed inputs (including prepayment spreads, delinquency levels, and credit losses).

The Company utilizes a pricing service to estimate fair value measurements for all of its fixed maturities. The pricing service utilizes market quotations for fixed maturity securities that have quoted prices in active markets, such as U.S Treasury Securities. Since fixed maturities other than U.S. Treasury securities generally do not trade on a daily basis, the pricing service prepares estimates of fair value measurements for these securities using its proprietary pricing applications and models which include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Additionally, the pricing service uses an Option Adjusted Spread model to develop prepayment and interest rate scenarios for issues that have early redemption features.

The pricing service evaluates each asset class based on relevant market information, relevant credit information, perceived market movements and sector news. The market inputs utilized in the pricing evaluation include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. If the pricing service discontinues pricing an investment due to the lack of objectively verifiable data, the Company would be required to produce an estimate of fair value using some of the same methodologies as the pricing service, but would have to make assumptions for market based inputs that are unavailable due to market conditions.

The fair value estimates of most fixed maturity investments are based on observable market information rather than market quotes. Accordingly, the estimates of fair value for such fixed maturities, other than U.S. Treasury securities, provided by the pricing service are included in the amount disclosed in Level 2 of the hierarchy. The estimated fair value of U.S. Treasury securities are included in the amount disclosed in Level 1 as the estimates are based on unadjusted market prices.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

In accordance with SFAS No. 157, assets measured at fair value on a recurring basis are as follows:

	Recurring fair value measures			
	Level 1	**Level 2**	**Level 3**	**Total**
Investment securities:				
Available-for-sale securities:				
Debt securities	$ 140,673	$ 431,920	$ -	$ 572,593
Total assets	$ 140,673	$ 431,920	$ -	$ 572,593

The Company does not value any liabilities at fair value. The Company does not measure any assets or liabilities at fair value on a nonrecurring basis at September 30, 2008.

4. INVESTMENTS

The Company enters into trust agreements which serve as collateral for liabilities relating to assumed reinsurance contracts in the event of the Company's nonperformance. Investments placed in trust have an estimated fair value of $544.7 million and $485.9 million as of September 30, 2008 and December 31, 2007, respectively. The Company classifies these investments as available-for-sale. No cash or cash equivalents are included in the trust balances as of September 30, 2008 and December 31, 2007.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

The cost or amortized cost, fair value and gross unrealized gains and losses on available-for-sale securities at September 30, 2008 are presented below:

	September 30, 2008			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. Treasury and federal agencies	$ 563,117	$ 7,507	$ (3,654)	$ 566,970
States and political subdivisions	4,918	23	(211)	4,730
Corporate debt securities	889	4	-	893
Total debt securities	$ 568,924	$ 7,534	$ (3,865)	$ 572,593

	December 31, 2007			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. Treasury and federal agencies	$ 498,210	$ 10,075	$ (434)	$ 507,851
States and political subdivisions	5,031	43	(34)	5,040
Corporate debt securities	889	46	-	935
Total debt securities	$ 504,130	$ 10,164	$ (468)	$ 513,826

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

Aggregate unrealized pre-tax losses relating to temporarily impaired securities were $3.9 million and $0.5 million as of September 30, 2008 and December 31, 2007, respectively, as follows:

	September 30, 2008			
	Less Than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:				
U.S. Treasury and federal agencies	$ 183,636	$ 3,654	$ -	$ -
States and political subdivisions	2,415	140	538	71
Total debt securities	$ 186,051	$ 3,794	$ 538	$ 71

	December 31, 2007			
	Less Than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:				
U.S. Treasury and federal agencies	$ 26,974	$ 107	$ 90,136	$ 327
States and political subdivisions	596	15	574	19
Total debt securities	$ 27,570	$ 122	$ 90,710	$ 346

The investments included in the tables above are not considered to be other-than-temporarily impaired considering the percentage of the unrealized loss in relation to their cost or amortized cost, the elapsed time of their fair value being less than their cost or amortized cost, and the absence of events or other indications that an other-than-temporary impairment exists. As of September 30, 2008 and December 31, 2007, the Company has the ability to hold the securities for the foreseeable future and has the intent to hold securities with existing unrealized losses through future evaluation points. At future evaluation points, the Company will again consider available evidence to evaluate potential impairments of its investments and determine if an other-than-temporary impairment is apparent. As of September 30, 2008 and December 31, 2007, eighty-six and thirty-five securities were in an unrealized loss position, respectively.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

Net investment income was allocated to the Company using an internally developed model. The model allocates net investment income based on the average allocated invested assets multiplied by the GMACI total portfolio specific yield, net of investment management expenses. The average allocated invested assets were determined by adding an average of the Company's liabilities and equity, less an average of other non-investment generating assets. The GMACI total portfolio specific yield was calculated by dividing the total GMACI investment income by the average market value of invested assets. The specific net portfolio yields calculated for the nine months ended September 30, 2008 and 2007 were 3.60% and 3.94 %, respectively. For the nine months ended September 30, 2008 and 2007, the allocated net investment income was $40.8 million and $42.3 million, respectively. The net investment income may be materially different if the Company had been a separate, stand-alone entity during the periods presented.

5. PREMIUMS AND OTHER RECEIVABLES

Premiums and other receivables at September 30, 2008 and December 31, 2007 consist of the following:

	September 30, 2008	December 31, 2007
Premiums receivable	$ 176,030	$ 132,735
Funds held receivable	5,777	6,109
Reinsurance recoverables on paid losses	8,381	3,329
Assets sold, not yet settled	28	87
Other receivables	214	121
Allowance for uncollectible amounts	(141)	(141)
Total premiums and other receivables - net	$ 190,289	$ 142,240

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

6. INCOME TAXES

Deferred tax assets and liabilities result from differences between assets and liabilities measured for financial reporting purposes and those measured for income tax purposes. Deferred taxes are allocated to the Company as if the Company was held in a separate corporation that filed separate income tax returns. Management believes the assumptions underlying its allocation of deferred taxes on a separate return basis are reasonable. However, the amounts allocated for deferred taxes in the accompanying carve-out balance sheets are not necessarily indicative of the amount of deferred taxes that would have been recorded had the Company been operated as a separate, stand-alone entity. The significant components of deferred tax assets and liabilities as of September 30, 2008 and December 31, 2007 are reflected in the following table:

	September 30, 2008	December 31, 2007
Deferred tax liabilities:		
Deferred acquisition costs	$ 17,140	$ 12,305
Bond discount	7	64
Unrealized gains on securities	1,284	3,394
Other	-	152
Gross deferred tax liabilities	18,431	15,915
Deferred tax assets:		
Loss reserves and loss adjustment expenses	44,429	40,842
Unearned premium	17,283	13,251
Accrued miscellaneous expenses	-	107
Other	30	62
Gross deferred tax assets	61,742	54,262
Net deferred tax asset	$ 43,311	$ 38,347

The components of the provision for income taxes for the nine months ended September 30, 2008 and 2007 are as follows:

	September 30, 2008	September 30, 2007
Current	$ 15,717	$ 26,320
Deferred	(2,854)	(2,948)
Total	$ 12,863	$ 23,372

There are no reconciling items between the statutory U.S. federal income tax rate and the Company's effective tax rate applicable to income as of September 30, 2008 and 2007.

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, on January 1, 2007. The adoption of this interpretation had no impact on the Company's financial position. There were no unrecognized tax benefits.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

8. RELATED PARTY TRANSACTIONS

GMAC provided certain services such as information technology software and support, accounting, regulatory compliance and other related services that directly or indirectly benefit the Company ("allocated expenses"). For the purposes of carve-out financial statements, management has provided a best estimate of what are believed to be reasonable allocated expenses that the Company would have incurred if it historically operated on a stand-alone basis. This determination was made by reviewing various costs allocated to this division by GMAC and evaluating the direct benefit received by the Company. Certain expenses that were deemed not to be beneficial to the Company were not allocated as a result of this analysis. The allocated expenses may be materially different if the Company had been a separate, stand-alone entity during the periods presented. These estimates were prepared in accordance with Staff Accounting Bulletin ("SAB") Topic 1-B, *"Allocation of Expenses and Related Disclosure in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity"*, and are presented below:

	September 30, 2008	September 30, 2007
Direct expenses	$ 20,382	$ 22,415
Allocated expenses:		
Software and licensing	1,089	1,038
Network communications	871	830
Financial reporting and related salary expense	367	350
Internal audit	43	41
Regulatory compliance	40	38
Total allocated expenses	$ 2,410	$ 2,297
Total general and administrative expenses	$ 22,792	$ 24,712

9. COMMITMENTS AND CONTINGENCIES

There are various claims and pending actions against the Company arising out of the normal course of business. Certain of these actions seek punitive or exemplary damages in very large amounts. The amounts of ultimate liability on these claims and actions at September 30, 2008 and December 31, 2007 were not determinable but, in the judgment of management, none of the claims or actions individually or collectively are likely to result in judgments for amounts which, net of claim and expense liabilities previously established and applicable insurance and reinsurance, would have a material adverse effect on the Company's financial position or results of operations.

10. SUBSEQUENT EVENTS

On November 3, 2008, Maiden Holdings North America, Ltd. ("Maiden NA") acquired GMAC RE for approximately $100 million. Maiden NA is a wholly-owned subsidiary of Maiden Holdings, Ltd., a publicly traded reinsurance company, headquartered in Bermuda. This acquisition included the reinsurance operations and reinsurance managing general agent of GMACI, which is reflected in the accompanying carve-out financial statements. As a part of the transaction, Maiden Insurance Company, also a wholly-owned subsidiary of Maiden Holdings, Ltd., has assumed the net outstanding loss reserves and net unearned premium of approximately $750 million and $200 million, respectively, as of November 3, 2008 associated with the GMAC RE business. Maiden Insurance received approximately $403 million in cash and $545 million in US government and agencies fixed maturity investments as the initial transfer amounts in connection with the assumption of liabilities.

In connection with the transaction, Maiden NA also entered into an agreement to acquire two licensed insurance companies, GMAC Direct Insurance Company ("GMAC Direct") and Integon Specialty Insurance Company ("Integon"). Consummation of the acquisition of these insurance companies is subject to regulatory approval. The consideration for GMAC Direct is $5.0 million plus an amount equal to the policyholders' surplus as of the closing date and for Integon it is $3.2 million plus an amount equal to the policyholders' surplus as of the closing date.

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Exhibit 99.2

GMAC RE

Carve-Out Financial Statements of GMAC RE (A Carve-Out of GMAC Insurance Holdings LLC)
As of December 31, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005, together with Report of Independent Registered Public Accounting Firm.

GMAC RE

INDEX TO CARVE-OUT FINANCIAL STATEMENTS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS, LLC)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
GMAC RE

We have audited the accompanying carve-out balance sheets of GMAC RE ("the Company") as of December 31, 2007 and 2006, as described in Note 1, and the related carve-out statements of operations, change in division equity and cash flows for the years ended December 31, 2007, 2006 and 2005. 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 audits.

We conducted our audits in accordance with the 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such carve-out financial statements present fairly, in all material respects, the financial position of GMAC RE as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years ended December 31, 2007, 2006 and 2005 in conformity with accounting principles generally accepted in the United States of America.

/S/ BDO Seidman, LLP

New York, New York

December 11, 2008

GMAC RE
CARVE-OUT BALANCE SHEETS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
DECEMBER 31, 2007 AND 2006
(In thousands of dollars)

	2007	2006
ASSETS		
Investments available-for-sale - at fair value:		
Debt securities (amortized cost of $504,130 and $474,011, respectively)	$ 513,826	$ 467,466
Cash and cash equivalents	10,755	16,408
Premiums and other receivables - net	142,240	133,015
Reinsurance recoverables on unpaid losses	44,023	45,432
Prepaid reinsurance premiums	12,295	9,883
Deferred acquisition costs	35,159	38,300
Securities lending collateral	4,289	4,344
Deferred taxes	38,347	42,901
Receivable from GMACI Holdings	497,340	468,975
Other assets	896	1,161
TOTAL ASSETS	$ 1,299,170	$ 1,227,885
LIABILITIES AND DIVISION EQUITY		
LIABILITIES:		
Unpaid losses and loss adjustment expenses	$ 772,473	$ 724,712
Unearned premiums and revenue	189,304	186,308
Reinsurance payable	14,645	19,472
Accounts payable	2,337	3,338
Securities lending obligation	4,289	4,344
Other liabilities	8,371	8,168
TOTAL LIABILITIES	991,419	946,342
COMMITMENTS AND CONTINGENCIES (see notes 12 and 13)		
DIVISION EQUITY	307,751	281,543
TOTAL LIABILITIES AND DIVISION EQUITY	$ 1,299,170	$ 1,227,885

The accompanying notes are an integral part of these carve-out financial statements.

GMAC RE
CARVE-OUT STATEMENTS OF OPERATIONS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 AND 2005
(In thousands of dollars)

	2007	2006	2005
REVENUE:			
Premiums and revenue earned, net	$ 494,822	$ 513,300	$ 437,187
Allocated net investment income	59,025	49,817	41,342
Realized capital (losses) gain, net	(19)	345	-
Total revenue	553,828	563,462	478,529
LOSSES AND EXPENSES:			
Losses and loss adjustment expenses	328,365	346,707	294,224
Policy acquisition costs	111,896	119,068	109,464
General and administrative expense	35,112	31,731	29,065
Depreciation and amortization expense	1,021	1,574	2,429
Other expense	510	1,755	783
Total expenses	476,904	500,835	435,965
INCOME BEFORE PROVISION FOR TAXES	76,924	62,627	42,564
PROVISION FOR INCOME TAXES	26,923	21,919	14,897
NET INCOME	$ 50,001	$ 40,708	$ 27,667

The accompanying notes are an integral part of these carve-out financial statements.

GMAC RE
CARVE-OUT STATEMENTS OF DIVISION EQUITY
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 AND 2005
(In thousands of dollars)

Balance at December 31, 2004	$	242,660
Net distributions to GMACI Holdings		-
Comprehensive income:		
Net income		27,667
Other comprehensive income, net of tax of $314		166
Balance at December 31, 2005		270,493
Net distributions to GMACI Holdings		(24,834)
Comprehensive income:		
Net income		40,708
Other comprehensive loss, net of tax of $2,194		(4,824)
Balance at December 31, 2006		281,543
Net distributions to GMACI Holdings		(34,349)
Comprehensive income:		
Net income		50,001
Other comprehensive income, net of tax of $5,684		10,556
Balance at December 31, 2007	$	307,751

The accompanying notes are an integral part of these carve-out financial statements.

GMAC RE
CARVE-OUT STATEMENTS OF CASH FLOWS
(A CARVE-OUT OF GMAC INSURANCE HOLDINGS LLC)
FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 AND 2005
(In thousands of dollars)

	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 50,001	$ 40,708	$ 27,667
Reconciliation of net income to net cash provided by operating activities:			
Net amortization of discounts and premiums on investments	(46)	78	115
Depreciation and amortization	1,021	1,574	2,429
Net realized gain on available-for-sale investments	(9)	(131)	-
Net change in assets and liabilities:			
Premiums and other receivables	(9,225)	(5,389)	(28,301)
Deferred policy acquisition costs	3,141	702	(8,431)
Unpaid losses and loss adjustment expenses, net of reinsurance	49,170	45,834	78,219
Unearned premiums and revenue, net of reinsurance	584	8,665	35,453
Reinsurance payable	(4,827)	2,678	107
Deferred income taxes, net	(1,130)	(5,841)	(4,435)
Accounts payable	(1,001)	184	(614)
Other changes in assets and liabilities	(28,394)	136,975	155,934
Net cash provided by operating activities	59,285	226,037	258,143
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed maturities:			
Purchases	(64,543)	(204,200)	(263,780)
Calls and maturities	31,626	1,200	1,200
Sales	2,852	12,704	225
Securities Lending collateral	55	(4,344)	-
Securities Lending obligation	(55)	4,344	-
Other Investing	(524)	(842)	(1,862)
Net cash used in investing activities	(30,589)	(191,138)	(264,217)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net distributions to GMACI Holdings	(34,349)	(24,834)	-
Net cash used in financing activities	(34,349)	(24,834)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,653)	10,065	(6,074)
CASH AND CASH EQUIVALENTS - Beginning of year	16,408	6,343	12,417
CASH AND CASH EQUIVALENTS - End of year	$ 10,755	$ 16,408	$ 6,343

The accompanying notes are an integral part of these carve-out financial statements.

1. ORGANIZATION

GMAC RE (the "Company" or "GMAC RE") is an indirect wholly owned subsidiary of GMAC LLC ("GMAC"), a global retail financial services firm comprised of approximately 15 million customers. GMAC RE is headquartered in Mt. Laurel, New Jersey, and includes reinsurance operations of GMAC Insurance ("GMACI"), a reinsurance segment of GMAC and wholly owned subsidiary of GMACI Holdings LLC ("GMACI Holdings"). GMAC RE has a well-defined niche strategy focused on regional property and casualty ("P&C") insurance companies. Its portfolio includes treaty and facultative P&C reinsurance produced both through brokers and on a direct basis, accident and health ("A&H") reinsurance operations and excess and surplus ("E&S") insurance operations underwritten by the Strategic Risk Specialists ("SRS") group.

GMAC RE manages its business mix by underwriting groups, including broker treaty reinsurance, direct treaty reinsurance, facultative reinsurance, A&H reinsurance and SRS (excess and surplus insurance) reinsurance. As part of its product mix and risk management strategy, the Company does not underwrite volatile lines of business such as professional liability, product liability, and directors' and officers' liability.

The Company's two largest operating units are focused on providing treaty reinsurance to U.S. regional P&C insurers through brokers and on a direct basis. Covered risks include primarily personal and commercial auto, commercial multi-peril and workers' compensation. GMAC RE's specialty facultative segment is focused on providing reinsurance of individual commercial auto and workers' compensation to U.S. regional insurers. In 2005, the Company established the A&H segment, focusing on reinsurance of employer stop loss programs for self-insured employers. In 2006, GMAC RE added the SRS segment focusing on excess and surplus commercial property lines.

2. ACCOUNTING POLICIES

Basis of Presentation — The carve-out financial statements include the Company's accounts, after eliminating all significant intercompany balances and transactions. The Company's accounting and reporting policies conform to accounting principles generally accepted in the United States of America ("GAAP"). The Company is an integrated business of GMACI that operates as a single business and is not a stand-alone entity. The carve-out financial statements of the Company reflect the assets, liabilities, revenues and expenses directly attributable to the Company, as well as allocations deemed reasonable by management, to present the financial position, results of operations, changes in division equity and cash flows of the Company on a stand-alone basis. The allocation methodologies have been described in notes 2, 4 and 11 of the carve-out financial statements. The financial information included herein may not necessarily reflect the financial position, results of operations, changes in division equity and cash flows of the Company in the future or what they would have been had the Company been a separate, stand-alone entity during the periods presented.

Use of Estimates and Assumptions — The preparation of the carve-out financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the reporting period.

The Company's principal estimates include unpaid losses and loss adjustment expense reserves; deferred acquisition costs; reinsurance recoverables, including the provision for uncollectible recoverables; other-than-temporary impairments of investment securities; and taxes. In developing the estimates and assumptions, management uses all available evidence. Because of uncertainties associated with estimating the amounts, timing and likelihood of possible outcomes, actual results could differ from estimates.

***Related Party Receivable* –** The accompanying carve-out financial statements include certain direct and reinsurance business underwritten by various insurance company subsidiaries ("carve-out business") of GMACI. Accordingly, premiums, losses, commissions and related assets and liabilities were carved-out from these insurance company subsidiaries' financial statements, which also included other business and activities. With certain exceptions, cash and investments or invested assets related to the carve-out business were generally co-mingled with other business of insurance company subsidiaries. Receivable from GMACI Holdings primarily consists of these co-mingled invested assets held by various insurance company subsidiaries of GMACI. The invested assets amount was allocated based on the sum of division equity and liabilities reduced by other assets of the Company. Receivable from GMACI Holdings also includes current income tax payable or receivable since GMAC files a consolidated tax return and these amounts are settled through intercompany accounts. The balance due from GMACI Holdings as of December 31, 2007 and 2006 was $497.3 million and $469.0 million, respectively.

Division Equity – GMACI uses an internally developed economic capital model to monitor capital adequacy and funding requirements for its various subsidiaries. This model is based on A.M. Best Capital Adequacy Ratio Model ("BCAR"), which is similar to National Association of Insurance Commissioners ("NAIC") Risk Based Capital model and Standards & Poor's ("S&P") framework. The model makes use of various financial statement inputs such as loss reserves, net written premiums and other assets of the Company. Applied to those inputs are various economic capital factors actuarially determined by evaluating the underwriting and business risks which are adjusted for diversification factors for the benefits achieved by writing multiple lines of business within a given underwriting risk category. The model also uses a multiplier based on the BCAR methodology for A+ rating target. The beginning division equity of $242.7 million as of December 31, 2004 was allocated to the Company using this model. Net distributions to GMACI Holdings included capital contributions and dividends paid to GMACI. The dividend amount was allocated using actual dividends paid to GMACI by its insurance company subsidiaries. The allocated amounts were based on the ratio of net income of the Company to total net income of insurance company subsidiaries of GMACI. This ratio was applied to total dividends paid to GMACI. The net distribution to GMACI and beginning division equity may be materially different if the Company had been a separate, stand-alone entity during the periods presented.

Premiums and Revenue Recognition — Reinsurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies in proportion to coverage provided. The portion of premiums written applicable to unexpired terms of policies is recorded as unearned premium.

The Company generally collects premiums in advance of providing risk coverage to minimize the Company's exposure to credit risk. A policy level evaluation is performed to the extent premiums receivable exceed the related unearned premiums balance. The Company ages this exposure to establish an allowance for doubtful accounts.

Cash and Cash Equivalents — Cash equivalents are short-term, highly liquid investments with original maturities of 90 days or less. Certain securities, with original maturities of 90 days or less, that are held as a portion of longer term investment portfolios are classified as investment securities and not cash equivalents.

Investment Securities — The Company's portfolio of investment securities includes bonds, asset and mortgage-backed securities and other investments. The Company classifies its investments as available-for-sale and, accordingly, investments are carried at fair value with unrealized gains and losses included in other comprehensive income, a component of division equity, on an after-tax basis. The cost of debt securities is adjusted for amortization of premiums and accretion of discounts. Amortization and accretion are included in investment income and the yield is adjusted over the contractual term of the security. Realized gains and losses on investment securities are determined using the specific identification basis.

The Company employs a systematic methodology that considers available evidence in evaluating potential other-than-temporary impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Company evaluates, among other factors, the magnitude and duration of the decline in fair value, the financial health of and business outlook for the issuer, and the Company's intent and ability to hold the investment. When a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded as a realized capital loss and a new cost basis in the investment is established.

Deferred Acquisition Costs — Commissions and other costs of acquiring insurance that are primarily related to and vary with the production of business are deferred. These costs are amortized over the terms of the related policies on the same basis as premiums earned.

Property, Equipment and Software — The Company's property and equipment consists primarily of furniture and equipment, including computers and software, which are stated at cost, net of accumulated depreciation and amortization and are included in other assets. The Company provides for depreciation and amortization of property and equipment using a straight-line method, with useful lives based on the asset class. Certain internal-use software costs are capitalized once specific criteria are met and these costs are amortized on a straight-line basis over three years.

Unpaid Losses and Loss Adjustment Expenses — The reserves for unpaid losses and loss adjustment expenses represent the accumulation of estimates for both reported losses and those incurred but not reported relating to direct insurance and assumed reinsurance agreements. Estimates for salvage and subrogation recoverable are recognized at the time losses are incurred and netted against the provision for losses. Reserves are established for each business at the lowest meaningful level of homogeneous data. Insurance liabilities are based on estimates, and the ultimate liability may vary from such estimates. The estimates are regularly reviewed and adjustments, which can potentially be significant, are included in earnings in the period in which they are deemed necessary.

Reinsurance — The Company cedes insurance risk under various reinsurance agreements. The Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk with other insurance enterprises. The Company remains liable with respect to any reinsurance ceded if the assuming companies are unable to meet their obligations under these reinsurance agreements. The Company also assumes insurance risks from other insurance companies, receiving a premium as consideration for the risk assumed.

Reinsurance recoverables on paid losses and loss adjustment expenses are included in premiums and other receivables. Amounts recoverable from reinsurers on unpaid losses and loss adjustment expenses are reported as an asset and are estimated in a manner consistent with the reinsured policies. Amounts paid to reinsurers relating to the unexpired portion of reinsurance contracts are reported as prepaid reinsurance premiums.

Assessment of Risk Transfer for Structured Insurance and Reinsurance Contracts - For both ceded and assumed reinsurance, risk transfer requirements must be met in order to obtain reinsurance status for accounting purposes, principally resulting in the recognition of cash flows under the contract as premiums and losses. To meet risk transfer requirements, a reinsurance contract must include insurance risk, consisting of both underwriting and timing risk, and a reasonable possibility of a significant loss for the assuming entity. To assess risk transfer for certain contracts, the Company generally develops expected discounted cash flow analyses at contract inception. If risk transfer requirements are not met, a contract is accounted for using the deposit accounting method. Deposit accounting requires that consideration received or paid be recorded in the balance sheet as opposed to premiums written or losses incurred in the statement of operations and any non-refundable fees earned based on the terms of the contract.

For each of its reinsurance contracts, the Company must determine if the contract provides indemnification against loss or liability relating to insurance risk, in accordance with applicable accounting standards. The Company considers all contractual features, particularly those that may limit the amount of insurance risk to which the Company is subject to or features that delay the timely reimbursement of claims. If the Company determines that a contract does not expose it to a reasonable possibility of a significant loss from insurance risk, the Company records the contract on a deposit method of accounting with the net amount receivable/payable reflected in other reinsurance assets or liabilities on the balance sheets. Fees earned on the contracts are reflected as other revenues, as opposed to premiums, on the statements of operations.

Income Taxes — During 2006, GMAC and a number of its U.S. subsidiaries converted to limited liability companies and, effective November 28, 2006, became disregarded or pass-through entities for U.S. federal income tax purposes. For the period ending November 28, 2006 and prior periods, the Company joined with GM and its eligible subsidiaries in the filing of a consolidated federal income tax return as part of a federal income tax allocation agreement between the Company and GMAC. Subsequent to November 28, 2006, GMACI and its subsidiaries continue to be taxable entities subject to U.S. federal, state, and foreign taxes, filing a consolidated U.S. federal income tax return.

The Company accounts for income taxes using the asset and liability method. Deferred income tax assets and liabilities are recorded as temporary differences between the carrying values of assets and liabilities for financial reporting purposes and tax purposes. Deferred tax assets and liabilities are recognized in the carve-out financial statements, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. The Company evaluates the recoverability of deferred tax assets and a valuation allowance is recorded for any portion not expected to be realized. No valuation allowance was deemed necessary for the periods presented in the carve-out financial statements.

Changes in Accounting Principle — On January 1, 2007, the Company adopted the Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes*, which clarifies the FASB's Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes*, by defining the confidence level that a tax position must meet in order to be recognized in the financial statements. FIN 48 requires that the tax effects of a position be recognized only if the position is "more-likely-than-not" to be sustained solely on its technical merits. The more-likely-than-not threshold represents a positive assertion by management that a company is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the position are to be recognized. The adoption of this interpretation as of January 1, 2007 had no impact on the Company's financial position.

New Accounting Standards - In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which provides a definition on fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in a nondistressed arm's length transaction between market participants. SFAS No. 157 clarifies that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets and the lowest priority to data lacking transparency. The reliability of inputs utilized for fair value calculations drives the extent of disclosure requirements of the valuation methodologies used under the standard. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years. The provisions of SFAS No. 157 should be applied prospectively. Adoption of SFAS No. 157 is not expected to have a material impact on the Company's financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFAS No. 159 also establishes presentation and disclosure requirements for similar types of assets and liabilities measured at fair value. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Adoption of SFAS No. 159 is not expected to have a material impact on the Company's financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations*, which replaces SFAS No. 141, *Business Combinations*. SFAS No. 141(R) establishes principles and requirements for how an acquiring company (1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, (2) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and (3) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective for business combinations occurring on or after the beginning of the fiscal year beginning on or after December 15, 2008. SFAS No. 141(R), effective for the Company on January 1, 2009, applies to all transactions or other events in which the Company obtains control in one or more businesses. Management will assess each transaction on a case-by-case basis as they occur.

In December 2007, the FASB also issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*, which requires the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008, and early adoption is prohibited. SFAS No. 160 shall be applied prospectively as of the beginning of the fiscal year in which it is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management is currently assessing the retrospective impacts of adoption and will assess new transactions as they occur.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. SFAS No. 161 requires companies with derivative instruments to disclose information that should enable financial statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Adoption of SFAS No. 161 is not expected to have a material impact on the Company’s financial position or statements of operations.

In April 2008, the FASB issued FASB Staff Position (“FSP”) No. 142-3, *Determination of the Useful Life of Intangible Assets*. FSP No. 142-3 amends the factors that should be considered in developing assumptions about renewal or extension used in estimating the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. This standard is intended to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R) and other GAAP. FSP No. 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008. Management has not yet assessed the impact of the adoption of FSP No. 142-3.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Principles*. This statement supersedes the existing hierarchy contained in the U.S. auditing standards. The existing hierarchy was carried over to SFAS No. 162 essentially unchanged. The statement becomes effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to the auditing literature. The new hierarchy is not expected to change current accounting practice in any area.

In May 2008, the FASB issued SFAS No. 163, *Accounting for Financial Guarantee Insurance Contracts*, an interpretation of SFAS No. 60. SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. SFAS No. 163 also clarifies how SFAS No. 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. SFAS No. 163 also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Adoption of SFAS No. 163 is not expected to have a material impact on the Company's financial position or statements of operations.

In June 2008, the FASB issued FSP No. 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*. FSP No. 03-6-1 clarifies that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are to be included in the computation of earnings per share under the two-class method described in SFAS No. 128, *Earnings Per Share*. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008 and requires all presented prior-period earnings per share data to be adjusted retrospectively. Adoption of FSP No. 03-6-1 is not expected to have a material impact on the Company's financial position or statements of operations.

In October 2008, the FASB issued FSP No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*. FSP No. 157-3 clarifies the application of SFAS No. 157, *Fair Value Measurements*, in a market that is not active and provides considerations in determining the fair value of a financial asset when the market for that financial asset is not active. The FSP was effective upon issuance, including prior periods for which financial statements have not been issued. Revisions resulting from a change in the valuation technique or its application shall be accounted for as a change in accounting estimate. The disclosure provisions of SFAS No. 154 for a change in accounting estimate are not required for revisions resulting from a change in valuation technique or its application. The adoption of FSP No. 157-3 did not have a material impact on the financial position or operations of the company.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of publicly traded debt and equity securities is based upon quoted market prices where available. If quoted market prices are not available, or if securities are not publicly traded, the Company estimates fair value by using various valuation methodologies and through consultation with its investment managers. These estimates are subjective in nature and involve uncertainties and matters of judgment. The use of different assumptions, judgments and estimation methodologies may have a material effect on the estimated fair value amounts.

The following table presents the carrying value and estimated fair values of assets and liabilities considered financial instruments under SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, at December 31, 2007 and 2006. Certain amounts that are not considered financial instruments are excluded from the table.

	2007		2006	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:				
Investment securities	$ 513,826	$ 513,826	$ 467,466	$ 467,466
Cash and cash equivalents	10,755	10,755	16,408	16,408
Total financial assets	$ 524,581	$ 524,581	$ 483,874	$ 483,874

4. INVESTMENTS

The Company enters into trust agreements, which serve as collateral for liabilities relating to assumed reinsurance contracts in the event of the Company's nonperformance. Investments placed in trust have an estimated fair value of $485.9 million and $442.3 million as of December 31, 2007 and 2006, respectively. The Company classifies these investments as available-for-sale. No cash or cash equivalents are included in the trust balances as of December 31, 2007 and 2006.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

The cost, fair value and gross unrealized gains and losses on available-for-sale securities at December 31, 2007 and 2006 are presented below:

	2007			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. Treasury and federal agencies	$ 498,210	$ 10,075	$ (434)	$ 507,851
States and political subdivisions	5,031	43	(34)	5,040
Corporate debt securities	889	46	-	935
Total debt securities	$ 504,130	$ 10,164	$ (468)	$ 513,826

	2006			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. Treasury and federal agencies	$ 469,989	$ 656	$ (7,270)	$ 463,375
States and political subdivisions	2,907	3	(8)	2,902
Corporate debt securities	1,115	74	-	1,189
Total debt securities	$ 474,011	$ 733	$ (7,278)	$ 467,466

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

Aggregate unrealized pre-tax losses relating to temporarily impaired securities were $0.5 million and $7.3 million as of December 31, 2007 and 2006, respectively, as follows:

	2007			
	Less Than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:				
U.S. Treasury and federal agencies	$ 26,974	$ 107	$ 90,136	$ 327
States and political subdivisions	596	15	574	19
Total debt securities	$ 27,570	$ 122	$ 90,710	$ 346

	2006			
	Less Than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:				
U.S. Treasury and federal agencies	$ 156,650	$ 1,645	$ 269,646	$ 5,625
States and political subdivisions	1,186	8	-	-
Total debt securities	$ 157,836	$ 1,653	$ 269,646	$ 5,625

The investments included in the tables above are not considered to be other-than-temporary impaired considering the percentage of the unrealized loss in relation to their cost or amortized cost, the elapsed time of their fair value being less than their cost or amortized cost, and the absence of events or other indications that an other-than-temporary impairment exists. As of December 31, 2007 and 2006, the Company has the ability to hold the securities for the foreseeable future and has the intent to hold securities with existing unrealized losses through future evaluation points. At future evaluation points, the Company will again consider available evidence to evaluate potential impairments of its investments and determine if an other-than-temporary impairment is apparent. As of December 31, 2007 and 2006, thirty-five and eight-nine securities were in an unrealized loss position, respectively.

Net investment income was allocated to the Company using an internally developed model. The model allocates net investment income based on the average allocated invested assets multiplied by the GMACI total portfolio specific yield, net of investment management expenses. The average allocated invested assets were determined by adding an average of the Company's liabilities and equity, less an average of other non-investment generating assets. The GMACI total portfolio specific yield was calculated by dividing the total GMACI investment income by the average market value of invested assets. The specific net portfolio yields calculated for the years ended December 31, 2007, 2006 and 2005 were 5.32%, 4.74% and 4.51%, respectively. For the years ended December 31, 2007, 2006 and 2005, the allocated net investment income was $59.0 million, $49.8 million and $41.3 million, respectively. The net investment income may be materially different if the Company had been a separate, stand-alone entity during the periods presented.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

In the normal course of business, the Company enters into securities lending agreements with various counterparties. Under these agreements, the Company lends rights in securities it owns in exchange for collateral in the form of cash or government securities, approximating 102% (domestic) or 105% (foreign) of the value of the securities loaned. Incremental income is earned by investment of the cash collateral and receipt of fees in the case of non-cash collateral and included in net investment income. These agreements are primarily overnight in nature and settle the next business day. At December 31, 2007, the Company had loaned securities of $4.3 million and had received cash collateral of $4.3 million. At December 31, 2006, the Company had loaned securities of $4.3 million and had received cash collateral of $4.3 million.

The amortized cost and estimated fair value of debt securities held as of December 31, 2007, by contractual maturity, are shown in the table below. Actual maturities may differ from contractual maturities because some borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Due in one year or less	$ 76,367	$ 76,286
Due after one year through five years	323,831	330,455
Due after five years through ten years	89,219	92,334
Due after ten years	12,685	12,764
Mortgage-backed securities	2,028	1,987
Total	$ 504,130	$ 513,826

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

5. PREMIUMS AND OTHER RECEIVABLES

Premiums and other receivables, net at December 31, 2007 and 2006 consist of the following:

	2007	2006
Premiums receivable	$ 132,735	$ 121,832
Funds held receivable	6,109	6,181
Reinsurance recoverables on paid losses	3,329	4,938
Assets sold, not yet settled	87	35
Other receivables	121	29
Allowance for uncollectible amounts	(141)	-
Total premiums and other receivables - net	$ 142,240	$ 133,015

6. REINSURANCE

The Company assumes and cedes insurance risks under various reinsurance agreements, on both a pro-rata basis and excess-of-loss basis. Following is a summary of premiums and revenue for the years ended December 31, 2007, 2006, and 2005, written and earned:

	2007		2006		2005	
	Written	Earned	Written	Earned	Written	Earned
Direct premiums	$ 52,760	$ 46,257	$ 40,526	$ 24,619	$ 12,837	$ 11,916
Assumed premiums	470,828	474,335	504,607	503,304	468,261	433,932
Total gross premiums	523,588	520,592	545,133	527,923	481,098	445,848
Ceded premiums	(28,182)	(25,770)	(23,169)	(14,623)	(8,458)	(8,661)
Net premiums	$ 495,406	$ 494,822	$ 521,964	$ 513,300	$ 472,640	$ 437,187

Reinsurance recoverables on unpaid losses at December 31, 2007 and 2006 were $44.0 million and $45.4 million, respectively. Prepaid reinsurance premiums for insurance risks that were ceded to reinsurers, and carried as assets, were $12.3 million and $9.9 million at December 31, 2007 and 2006, respectively. Loss and loss adjustment expenses incurred, which were ceded to reinsurers, were $9.4 million, $5.7 million and $17.2 million for the years ended December 31, 2007, 2006 and 2005, respectively.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

As of December 31, 2007 and 2006, the Company provided collateral to cedents in the form of funds held aggregating $6.1 million and $6.2 million, respectively, in the event of the Company's nonperformance.

7. OTHER ASSETS

Other assets at December 31, 2007 and 2006 consisted of the following:

	2007	2006
Property, equipment and software - net	$ 49	$ 547
Accrued investment income	306	313
Other investments	250	286
Prepaid assets	244	-
Other assets	47	15
Total	$ 896	$ 1,161

Property, equipment and software depreciation expense was $1.0 million and $1.6 million for the years ended December 31, 2007 and 2006, respectively.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

11. UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in the reserves for unpaid losses and loss adjustment expenses as of December 31, 2007 and 2006 is presented below:

	December 31, 2007	December 31, 2006
Balance — beginning of year	$ 724,712	$ 685,216
Less reinsurance recoverables on unpaid losses	(45,432)	(51,770)
Net balance — beginning of year	679,280	633,446
Incurred losses related to:		
Current year	355,317	357,027
Prior years	(26,952)	(10,320)
Total incurred	328,365	346,707
Paid losses related to:		
Current year	(100,210)	(120,241)
Prior years	(178,985)	(180,632)
Total paid	(279,195)	(300,873)
Net balance - end of year	728,450	679,280
Plus reinsurance recoverables on unpaid losses	44,023	45,432
Balance - end of year	$ 772,473	$ 724,712

Incurred losses and loss adjustment expenses during 2007 and 2006 were reduced by $26.9 million and $10.3 million, respectively, as a result of decreases in prior years' reserve estimates for certain reinsurance coverages assumed in the United States. Decreases in prior years' reserve estimates during 2007 were due to favorable developments for prior years' reserves of $23.1 million, $1.4 million and $2.4 million relating to the Company's treaty, facultative and SRS operating units, respectively. Decreases in prior years' reserve estimates during 2006 were due to favorable developments for prior years' reserves of $17.4 million and $1.0 million relating to the Company's treaty and SRS operating units, respectively, and adverse development of $8.1 million in the facultative operating unit. Prior years' favorable loss development triggered offsetting loss responsive contract adjustments for 2007 and 2006 of $10 million and $5 million, respectively, resulting in overall prior years' combined development during the 2007 and 2006 of a favorable $16.9 million and $5.3 million, respectively.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

The Company has exposure to asbestos claims from the reinsurance of general liability, commercial multi-peril, homeowners and workers' compensation claims. While the first year of exposure to asbestos claims for the Company was in 1983, liability was curtailed for accident years after 1985 with the introduction of an absolute exclusion in 1986. Reported claim activity to date has not been significant. The Company's reserves for asbestos exposure were $0.56 million and $0.53 million gross of reinsurance as of December 31, 2007 and 2006, respectively.

The Company has exposure to environmental claims from the reinsurance of general liability, commercial multi-peril, homeowners, commercial auto liability and workers' compensation claims. Reported claim activity to date has not been significant. The Company's reserves for environmental exposures were $2.03 million (gross of reinsurance) and $2.0 million (net of reinsurance) and $2.17 million (gross of reinsurance) and $1.97 million (net of reinsurance) as of December 31, 2007 and 2006, respectively.

12. OTHER LIABILITIES

Other liabilities at December 31, 2007 and 2006 consisted of the following:

	2007	2006
Non-income taxes	$ 200	$ 3
Accrued compensation	5,973	6,700
Deposit liability	1,792	1,398
Other liabilities	406	67
Total	$ 8,371	$ 8,168

13. INCOME TAXES

Deferred tax assets and liabilities result from differences between assets and liabilities measured for financial reporting purposes and those measured for income tax purposes. Deferred taxes are allocated to the Company as if the Company was held in a separate corporation that filed separate income tax returns. Management believes the assumptions underlying its allocation of deferred taxes on a separate return basis are reasonable. However, the amounts allocated for deferred taxes in the accompanying carve-out balance sheets are not necessarily indicative of the amount of deferred taxes that would have been recorded had the Company been operated as a separate, stand-alone entity. The significant components of deferred tax assets and liabilities as of December 31, 2007 and 2006 are reflected in the following table:

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

	2007	2006
Deferred tax liabilities:		
Deferred acquisitions costs	12,305	13,405
Bond discount	64	36
Unrealized gains on securities	3,394	(2,291)
Other	152	(2)
Gross deferred tax liabilities	15,915	11,149
Deferred tax assets:		
Loss reserves and loss adjustment expenses	40,841	38,316
Unearned premium	13,251	13,042
Accrued miscellaneous expenses	107	2,611
Other	62	81
Gross deferred tax assets	54,262	54,050
Net deferred tax asset/(liability)	$ 38,347	$ 42,901

The components of the provision for income taxes for the years ended December 31, 2007, 2006 and 2005 are as follows:

	2007	2006	2005
Current	28,054	27,760	18,011
Deferred	$ (1,131)	$ (5,841)	$ (3,114)
Total	$ 26,923	$ 21,919	$ 14,897

There are no reconciling items between the statutory U.S. federal income tax rate and the Company's effective tax rate applicable to income as of December 31, 2007, 2006 and 2005.

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes,* on January 1, 2007. The adoption of this interpretation had no impact on the Company's financial position. There were no unrecognized tax benefits.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

14. RELATED PARTY TRANSACTIONS

GMAC provided certain services such as information technology software and support, accounting, regulatory compliance and other related services that directly or indirectly benefit the Company ("allocated expenses"). For the purposes of carve-out financial statements, management has provided a best estimate of what are believed to be reasonable allocated expenses that the Company would have incurred if it historically operated on a stand-alone basis. This determination was made by reviewing various costs allocated to this division by GMAC and evaluating the direct benefit received by the Company. Certain expenses that were deemed not to be beneficial to the Company were not allocated as a result of this analysis. The allocated expenses may be materially different if the Company had been a separate, stand-alone entity during the periods presented. These estimates were prepared in accordance with Staff Accounting Bulletin ("SAB") Topic 1-B, *"Allocation of Expenses and Related Disclosure in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity"*, and are presented below:

	2007	2006	2005
Direct expenses	$ 32,049	$ 28,768	$ 26,201
Allocated expenses:			
Software and licensing	1,384	1,339	1,294
Network communications	1,107	1,071	1,036
Financial reporting and related salary expense	467	452	437
Internal audit	55	53	51
Regulatory compliance	50	48	46
Total allocated expenses	$ 3,063	$ 2,963	$ 2,864
Total general and administrative expenses	$ 35,112	$ 31,731	$ 29,065

15. COMMITMENTS AND CONTINGENCIES

There are various claims and pending actions against the Company arising out of the normal course of business. Certain of these actions seek punitive or exemplary damages in very large amounts. The amounts of ultimate liability on these claims and actions at December 31, 2007 and 2006 were not determinable but, in the judgment of management, none of the claims or actions individually or collectively are likely to result in judgments for amounts which, net of claim and expense liabilities previously established and applicable insurance and reinsurance, would have a material adverse effect on the Company's financial position or results of operations.

(IN THOUSANDS OF DOLLARS, EXCEPT WHERE OTHERWISE NOTED)

The Company leases office space under operating leases. Options exist to extend a lease through 2014. Rent expense under operating leases for the years ended December 31, 2007 and 2006 was $1.1 million and $1.0 million, respectively. Future minimum lease payments under operating leases that have an initial or remaining lease term in excess of one year at December 31, 2007 are as follows:

	Future Minimum Payments
2008	$ 834
2009	800
2010	420
2011	100
2012	19
2013 and thereafter	-
Total	$ 2,173

16. SUBSEQUENT EVENTS

On November 3, 2008, Maiden Holdings North America, Ltd. (“Maiden NA”) acquired GMAC RE for approximately $100 million. Maiden NA is a wholly-owned subsidiary of Maiden Holdings, Ltd., a publicly traded reinsurance company, headquartered in Bermuda. This acquisition included the reinsurance operations and reinsurance managing general agent of GMACI, which is reflected in the accompanying carve-out financial statements. As a part of the transaction, Maiden Insurance Company, also a wholly-owned subsidiary of Maiden Holdings, Ltd., has assumed the net outstanding loss reserves and net unearned premium of approximately $750 million and $200 million, respectively, as of November 3, 2008 associated with the GMAC RE business. Maiden Insurance received approximately $403 million in cash and $545 million in US government and agencies fixed maturity investments as the initial transfer amounts in connection with the assumption of liabilities.

In connection with the transaction, Maiden NA also entered into an agreement to acquire two licensed insurance companies, GMAC Direct Insurance Company ("GMAC Direct") and Integon Specialty Insurance Company ("Integon"). Consummation of the acquisition of these insurance companies is subject to regulatory approval. The consideration for GMAC Direct is $5.0 million plus an amount equal to the policyholders' surplus as of the closing date and for Integon it is $3.2 million plus an amount equal to the policyholders' surplus as of the closing date.

* * * * *

EXHIBIT 99.3

SELECTED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

On November 3, 2008 the Registrant's wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA"), entered into an agreement to acquire GMAC RE LLC, the reinsurance managing general agent writing business on behalf of Motors Insurance Corporation, and the renewal rights for the business written by GMAC RE. The transaction closed simultaneously with the signing of the agreements. In connection with the closing of the transaction, GMAC RE management and employees have transitioned to Maiden NA and GMAC RE was renamed Maiden RE. In connection with the above transaction, Maiden NA also entered into an agreement to acquire two licensed insurance companies, GMAC Direct Insurance Company("GMAC Direct") and Integon Specialty Insurance Company("Integon"). Consummation of the acquisition of GMAC Direct was closed on December 23, 2008. Consummation of the acquisition of Integon is subject to regulatory approval.

The following unaudited condensed consolidated pro forma financial information consolidates the historical consolidated statements of income and consolidated balance sheet of Maiden Holding, Ltd. and the historical condensed statements of income and condensed balance sheet of GMAC RE. Those historical financial statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The unaudited condensed consolidated pro forma financial information has been prepared using the assumptions described in the notes thereto.

The unaudited condensed consolidated pro forma financial information below should be read in conjunction with the notes thereto and the historical consolidated financial statements of GMAC RE, as well as in conjunction with the historical consolidated financial statements of Maiden Holding, Ltd. included in its Annual Report on Form 10-K for the year ended December 31, 2007 and Quarterly Report on Form 10-Q for the nine months ended September 30, 2008. This unaudited condensed consolidated pro forma financial information is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations of the consolidated company that would have actually occurred had the acquisition been effective during the periods presented or of the future financial position or future results of operations of the consolidated company. The consolidated financial information as of September 30, 2008 and for the periods presented may have been different had the companies actually been consolidated as of that date or during those periods due to, among other factors, possible revenue enhancements, expense efficiencies and integration costs. Additionally, as discussed in Note 1, the actual allocation of the purchase price to the acquired assets and liabilities may vary materially from the assumptions used in preparing the unaudited condensed consolidated pro forma financial information.

Maiden Holdings, Ltd.
Unaudited Condensed Consolidated Pro Forma Balance Sheet
As of September 30, 2008
(in thousands (000's), except per share data)

	Historical Maiden Holdings, Ltd	Historical GMAC RE (Carve-out of GMACI)	Pro Forma Purchase Adjustments	Notes	Pro Forma Results
Assets					
Fixed maturities, available-for-sale, at fair value	$ 687,186	$ 572,593	$ 13,284	3b	$
			(27,893)	3e	1,245,170
Other investments, at fair value	10,071	-	-		10,071
Total investments	697,257	572,593	(14,609)		1,255,241
Cash and cash equivalents	82,443	46,672	(100,000)	3a	
			(13,250)	3b	
			(3,200)	3c	
			(3,429)	3a	
			(40,249)	3f	
			402,642	3e	371,629
Accrued investment income	5,423	321	(321)	3f	5,423
Reinsurance balances receivable, net	98,779	190,289	(190,289)	3h	98,779
Reinsurance recoverables on unpaid losses	-	74,795	(74,795)	3e, 3h	-
Prepaid reinsurance premiums	-	14,549	(14,549)	3e, 3h	-
Loan to related party	167,975	-	-		167,975
Prepaid expenses and other assets	420	700	(274)	3f	846
Deferred commission and other acquisition costs	88,615	48,971	-		137,586
Deferred taxes	-	43,311	(43,311)	3f	-
Receivable from GMACI Holdings	-	420,360	(420,360)	3f	-
Fixed assets, net	63	977	-		1,040
Intangible assets	-	-	62,400	2a, 3d	62,400
Goodwill	-	-	47,252	2a, 3d	47,252
Total Assets	$ 1,140,975	$ 1,413,538	$ (406,342)		$ 2,148,171
Liabilities and Shareholders/Divisions' Equity					
Liabilities					
Loss and loss adjustment expense reserves	$ 123,621	$ 840,335	$ (85,188)	3e	$ 878,768
Unearned premiums	267,799	246,899	(27,291)	3e	487,407
Accrued expenses and other liabilities	4,670	7,646	(4,645)	3f	7,671
Reinsurance payable	-	15,944	(15,944)	3f	-
Due to broker	5,656	-	-		5,656
Securities sold under agreements to repurchase, at contract value	260,775	-	-		260,775
Payable to GMACI Holdings	-	-	29,440	3j	29,440
Total Liabilities	662,521	1,110,824	(103,628)		1,669,717
Shareholder/Divisions' Equity:					
Common shares	596				596
Additional paid-in capital	530,258				530,258
Accumulated other comprehensive loss	(62,856)				(62,856)
Retained earnings/Divisions' equity	10,456	302,714	(302,714)	3g	10,456
Total Shareholders/Divisions' Equity	478,454	302,714	(302,714)		478,454
Total Liabilities and Shareholders' Equity	$ 1,140,975	$ 1,413,538	$ (406,342)		$ 2,148,171

Maiden Holdings, Ltd.
Unaudited Condensed Consolidated Pro Forma Statement of Income
For the Nine Months Ended September 30, 2008
(in thousands (000's), except per share data)

	Historical Maiden Holdings, Ltd.	Historical GMAC RE (Carve-out of GMACI)	Pro Forma Purchase Adjustments	Notes	Pro Forma Results
Revenues:					
Premium income:					
Net premiums written	$ 386,870	$ 423,317	$ -		$ 810,187
Change in unearned premiums	(130,631)	(55,342)			(185,973)
Net earned premium	**256,239**	**367,975**	**-**		**624,214**
Net investment income	24,346	40,803	(8,241)	3i	56,908
Net realized investment losses	(42,375)	(2)	-		(42,377)
Service fee and other revenue	-	267	-		267
Total revenues	**238,210**	**409,043**	**(8,241)**		**639,012**
Expenses:					
Loss and loss adjustment expenses	148,362	274,289	-		422,651
Commission and other acquisition expenses	85,057	74,332	3,680	3k	163,069
Salaries and benefits	1,820	19,352	-		20,526
Foreign exchange loss	364	-	-		364
Other operating expenses	3,816	4,318	-		8,780
Total expenses	**239,419**	**372,291**	**3,680**		**615,390**
Net income before provision for income taxes	**$ (1,209)**	**$ 36,752**	**$ (11,921)**		**$ 23,622**
Provision for income taxes	-	12,863	(12,863)	3k	-
Net income	**(1,209)**	**23,889**	**942**		**23,622**
Earnings per common share:					
Basic earnings per common share	(0.02)				0.40
Diluted earnings per common share	(0.02)				0.40
Weighted average number of basic shares outstanding	59,550,000				59,550,000
Weighted average number of diluted shares outstanding	59,550,000				59,550,000

Maiden Holdings, Ltd.
Unaudited Condensed Consolidated Pro Forma Statement of Income
For the Year Ended December 31, 2007
(in thousands (000's), except per share data)

	Historical Maiden Holdings, Ltd. (May 31, 2007, inception to December 31, 2007)	Historical GMAC RE (Carve-out of GMACI)	Pro Forma Purchase Adjustments	Notes	Pro Forma Results
Revenues:					
Premium income:					
Net premiums written	$ 247,353	$ 495,407	$ -		$ 742,760
Change in unearned premiums	(137,166)	(585)	-		(137,751)
Net earned premium	**110,187**	**494,822**	-		**605,009**
Net investment income	15,233	59,025	(15,675)	3i	58,583
Net realized investment gains (losses)	170	(19)	-		151
Service fee and other revenue		-	-		-
Total revenues	**125,590**	**553,828**	**(15,675)**		**663,743**
Expenses:					
Loss and loss adjustment expenses	65,017	328,365	-		393,382
Commission and other acquisition expenses	35,525	111,896	4,948	3k	152,369
Salaries and benefits	1,016	26,571	-		27,587
Foreign exchange loss	-	(11)	-		(11)
Other operating expenses	1,945	10,083	-		12,028
Total expenses	**103,503**	**476,904**	**4,948**		**585,355**
Net income before provision for income taxes	**$ 22,087**	**$ 76,924**	**$ (20,623)**		**$ 78,388**
Provision for income taxes	-	26,923	(26,923)	3k	-
Net income	**22,087**	**50,001**	**6,300**		**78,388**
Earnings per common share:					
Basic earnings per common share	0.44				1.54
Diluted earnings per common share	0.44				1.54
Weighted average number of basic shares outstanding	50,759,772				50,759,772
Weighted average number of diluted shares outstanding	50,759,772				50,759,772

Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements

1. BASIS OF PRESENTATATION

The unaudited condensed consolidated pro forma financial information gives effect to the acquisition as if it had occurred on September 30, 2008 for the purposes of the unaudited condensed consolidated pro forma balance sheet at September 30, 2008 and at January 1, 2007 for the purposes of the unaudited condensed consolidated pro forma statements of income for the nine months ended September 30, 2008 and the year ended December 31, 2007. The unaudited condensed consolidated pro forma financial information has been prepared by Maiden Holdings, Ltd's management and is based on Maiden Holdings Ltd's historical consolidated financial statements and GMAC RE's (A Carve-out of GMAC Insurance Holdings LLC) historical consolidated financial statements, which have been prepared by GMAC RE. Certain amounts from GMAC RE's historical consolidated financial statements have been reclassified to conform to the Maiden Holdings, Ltd. presentation.

This unaudited condensed consolidated pro forma financial information is prepared in conformity with GAAP. The unaudited condensed consolidated pro forma balance sheet as of September 30, 2008 and the unaudited condensed consolidated pro forma statements of income for the year ended December 31, 2007 and the nine months ended September 30, 2008 have been prepared using the following information:

(a) Unaudited historical consolidated financial statements of Maiden Holdings, Ltd. as of September 30, 2008 and for the nine months ended September 30, 2008;

(b) Unaudited historical consolidated financial statements of GMAC RE (A Carve-out of GMAC Insurance Holdings LLC) as of September 30, 2008 and for the nine months ended September 30, 2008;

(c) Audited historical consolidated financial statements of Maiden Holdings, Ltd. for the year ended December 31, 2007;

(d) Audited historical consolidated financial statements of GMAC RE (A Carve-out of GMAC Insurance Holdings LLC) for the year ended December 31, 2007; and

(e) Such other supplementary information as considered necessary to reflect the acquisition in the unaudited pro forma condensed consolidated financial information.

The pro forma adjustments reflecting the acquisition of GMAC RE, GMAC Direct and Integon under the purchase method of accounting are based on certain estimates and assumptions. The actual adjustments upon consummation of the acquisition and the allocation of the final purchase price will depend on a number of factors, including additional financial information available at such time, changes in values and changes in operating results between the date of preparation of this unaudited pro forma condensed consolidated financial information and the effective date of the acquisition. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the differences may be material. Maiden Holdings, Ltd's management believes that its assumptions provide a reasonable basis for presenting all of the significant effects of the transactions contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed consolidated financial information.

The unaudited condensed consolidated pro forma financial information does not include all the anticipated financial benefits or expenses from such items as expense efficiencies or revenue enhancements arising from the acquisition nor does the unaudited condensed consolidated pro forma financial information include restructuring and integration costs to be incurred by Maiden Holdings, Ltd.

The unaudited condensed consolidated pro forma financial information is not intended to reflect the results of operations or the financial position that would have resulted had the acquisition been affected on the dates indicated and if the companies had been managed as one entity. The unaudited condensed consolidated pro forma financial information should be read in conjunction with the historical consolidated financial statements of Maiden Holdings, Ltd. included in Maiden Holdings, Ltd 's Annual Report for the year ended December 31, 2007 and unaudited consolidated financial statements of Maiden Holdings, Ltd. included in Maiden Holdings, Ltd 's Quarterly Report on Form 10-Q for the nine months ended September 30, 2008, as well as the historical consolidated financial statements of GMAC RE (A Carve-out of GMAC Insurance Holdings LLC).

2. PURCHASE PRICE CONSIDERATIONS

The agreement provided for a base purchase price of GMAC RE of $100 million. This Purchase Price shall be adjusted "dollar for dollar" in an amount equal to GMAC RE Closing Tangible Assets less the Closing Liabilities less $1 million. Such amount, if a positive number shall increase the Purchase Price and, if a negative number shall reduce the Purchase Price. The consideration for GMAC Direct is $5.0 million plus an amount equal to the policyholders' surplus as of the closing date and for Integon it is $3.2 million plus an amount equal to the policyholders' surplus as of the closing date. The consummation of the acquisition of GMAC Direct closed on December 23, 2008 and $13.25 million was paid based on estimated policyholders' surplus. The agreement requires that this be adjusted to actual within 60 days of the closing date.

The determination of goodwill is based upon the following ($ in thousands):

	Pro Forma Footnote		
Purchase price:			
Purchase of common stock and renewal rights	3a, 3b, 3c	$	108,200
Adjustments:			
Purchase price adjustment for GMAC RE	3a, 3j(i)		2,848
Purchase price adjustment for GMAC Direct	3b		13,250
Direct transaction costs	3a		3,429
Total purchase price			127,727
Allocation of purchase price: (A)			
Net assets of GMAC RE, GMAC Direct and Integon at 10/31/08	3a		18,075
Intangible assets	3b		62,400
Goodwill			47,252
		$	127,727

A The purchase price is allocated to balance sheet assets acquired (including identifiable intangible assets arising from the acquisition) and liabilities assumed based on their estimated fair value. The pro forma adjustments to the GMAC RE historical consolidated balance sheet in connection with the acquisition are described in Note 3.

3. PRO FORMA ADJUSTMENTS

As discussed above, these pro forma adjustments are based on certain estimates and assumptions made as of the date of the unaudited pro forma condensed consolidated financial information. The actual adjustments will depend on changes in the estimated fair values of net assets and operating results of GMAC RE, GMAC Direct and Integon between September 30, 2008 and the effective date of the acquisition. Maiden Holdings Ltd expects to make such adjustments at the effective date of the acquisition. These adjustments may be different from the adjustments made to prepare the unaudited pro forma condensed consolidated financial information and such differences may be material.

(a) Pursuant to the agreement, in addition to the $100 million paid in cash, the Purchase Price of GMAC RE was adjusted “dollar for dollar” in an amount equal to the GMAC RE Closing Tangible Assets of $6.85 million less the Closing Liabilities of $3 million less $1 million. As the amount, is a positive number, it has increased the Purchase Price by $2.85 million. In addition, there are direct acquisition costs of $3.43 million which includes legal cost, investment appraisal and due diligence fees.

(b) The base purchase price of GMAC Direct was $5 million. The total purchase price was $18.25 million which included acquired net assets of $13.25 million primarily consisting of fixed maturity securities as of the closing date. Of this amount $13.25 was paid at closing and $5 million is payable to GMACI Holdings (See 3j(ii)).

(c) The base purchase price of Integon was $3.2 million.

(d) Represents the recognition of approximately $62.4 million of intangible assets, relating to licenses and customer relationships. The remainder of purchase price in excess of net assets acquired resulted in goodwill of $47.2 million.

(e) Pursuant to the loss portfolio transfer agreement, the Company received approximately $402.6 million in cash and $544.7 million in US government and agencies fixed maturity investments in trust accounts for the benefit of the cedents as the initial transfer amounts in connection with the transaction. The trued up loss reserves of $755.1 million and unearned premium of $219.6 million were transferred at closing, which consisted of the following:

Historical GMAC RE (in 000's)	Gross Amount at 9/30/08	Reinsurance Balance at 9/30/08 (3h)	True-up Adjustment at Closing (1)	Net Liability Assumed at Closing
Loss and loss adjustment expense reserve	$ 840,335	$ (74,795)	$ (10,393)	$ 755,147
Unearned premiums	$ 246,899	$ (14,549)	$ (12,742)	$ 219,608

(1) These amounts represent adjustments to reflect actual liabilities transferred at closing date. Maiden owed $9.6 million and $12.0 million to GMACI Holdings for loss reserves and unearned premiums, respectively, related to these true-up adjustments. (See 3j(iii)).

(f) This reflects assets and liabilities not acquired as a part of the purchase agreement.

(g) Elimination of GMAC RE's historical division equity balance.

(h) Pursuant to the agreement, Maiden Holdings, Ltd. did not assume any credit risk on these assets. Maiden Holdings, Ltd. is not a party to these agreements. Maiden's responsibility for loss and loss adjustment expense under the loss portfolio transfer agreement is net of amounts recoverable under these agreements

(i) As Maiden Holdings, Ltd. did not acquire the equity balance, this adjustment reflects the decrease in investment income earned on the average equity.

(j) The payable to GMACI Holdings represents:
(i) GMAC RE's excess surplus of $2.85 million (see Note 3a for details),
(ii) $5 million payable in regards to the state deposits acquired for GMAC Direct licenses
(iii) $21.6 million payable in regards to the true up of GMAC RE loss reserves and unearned premiums.

(k) Maiden Holdings, Ltd.'s income is not subject to U.S. taxation and therefore no income tax provision is required. However, the Company would be subject to Federal Excise Tax of around 1% on its premium.