FLEMING RE

Fleming is redefining Legacy transactions with partnership-based solutions that are mutually beneficial.

Fleming PlannedLPT™

Historically, legacy/run-off transactions have been dominated by toxic liabilities that were plagued by asymmetry of information and diversification and priced as such. Fleming is changing the paradigm to move away from Exposure solutions toward Capital solutions.

Partners Benefits:

1. Accretive to economics
2. Removes exposures
3. Recycles & optimizes capital
4. Improve capital management and demonstrate the benefit to regulators and rating agencies
5. Shift operating resources to focus on new business vs historical liabilities

Fleming's fundamental difference – PlannedLPT™ Capital Solutions!

Fleming brings proactive Capital Management to the market as opposed to reactive Loss Reserve management. Meaning, Fleming can provide insurers or reinsurers with a toolkit to manage capital across cycles – both the Insurance cycle and Capital Markets cycle.

Characteristics of Fleming's PlannedLPT™ are:

- Based on **partnership relationship**
- **Day 1 known** pricing for future transfer date
- Recurring transactions
- Efficient process and execution
- **Improved pricing** to reflect diversification benefits
- **Alignment of interest for both parties**
- Improved transparency

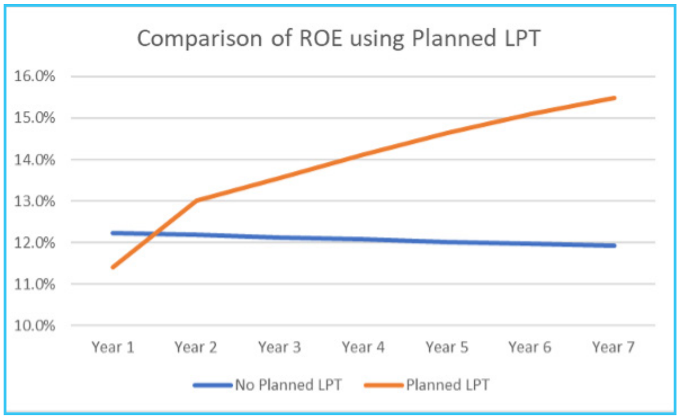
"You don't need to change anything in your operations. It simply optimizes what you are currently doing."
- Existing client

PlannedLPT™ allows our partners to exchange Reserve Risk for Underwriting Risk. Meaning, Fleming will assume your reserves which will release the capital supporting those reserves. This capital is then used to increase the GWP and/or the NWP. In other words, our partners will be able to write more profitable business or retain more of their existing profitable business all while recycling capital.

This will improve earnings and optimize equity, which will significantly increase ROE and the value of our partner's company.

To demonstrate the impact on ROE, we have pulled together the following example:

If the counterparty is writing profitable business, our solution is economically accretive. PlannedLPT™ facilitates the recycling of capital which helps to optimize our partner's equity. Both the numerator and the denominator benefit, resulting in an ROE calculation that is increased up to 3% - 4%. This will **drive real shareholder value!** As the results are compounded for recurring transactions, the benefits increase over time. Additionally, the company eliminated all exposures greater than 3 years. **Huge benefits with minimal downside.**



A non-insurance example to illustrate similar benefits is flipping houses. Party A has expertise in identifying and renovating houses but has limited capital. Party B has access to capital and wants rental income. Party A buys, renovates and then sells a house to Party B. Party B buys the house (releases capital) to allow Party A to repeat the process. Both parties can focus on their expertise and generate more value.

The symbiotic relationship improves the outcomes for both parties.

Model Assumptions

- Assumed Loss Ratio of ~60% (CR of 95%)
- 20% Retention
- Capitalization similar to A- rated companies
- Liabilities transferred after 3 years of seasoning
- 50% of Ultimate reserves still o/s @ transfer
- 3-year Treasury yield

Ask Yourself This

If you answer 'yes' to any of the below you can benefit from a PlannedLPT™:

- Do you have a need for capital to facilitate growth?
- Are you writing profitable business and could write more?
- Would you like to retain more of your profitable business but have capital constraints?
- Are you looking for a solution to help manage capital?
- Does the Reserve Risk Charge encumber a significant amount of your capital?