Maiden Holdings, Ltd.
Form S-1/A
May 02, 2008

As filed with the Securities and Exchange Commission on May 2, 2008

Registration No. 333-146137

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

AMENDMENT NO. 4
to
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

MAIDEN HOLDINGS, LTD.
(Exact Name of Registrant As Specified in Its Charter)

Bermuda	6331	N/A
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

48 Par-la-Ville Road, Suite 1141
Hamilton HM 11
Bermuda
(441) 292-7090

(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant s Principal Executive Offices)

CT Corporation System
111 8thAvenue, 13th Floor

New York, New York 10011
(212) 590-9330

(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copy to:

Matthew M. Ricciardi
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, New York 10019
Telephone: (212) 259-8000
Facsimile: (212) 259-6333

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

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

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

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

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

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

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

SUBJECT TO COMPLETION, DATED MAY 2, 2008

PROSPECTUS

56,870,000 Common Shares

The selling shareholders named in this prospectus are offering up to 56,870,000 of our common shares. The selling shareholders will receive all of the proceeds from the sale of the common shares, less any brokerage commissions, and therefore we will not receive any of the proceeds from their sale of our shares.

No public market currently exists for our common shares, and our common shares are not currently listed on any national exchange or market system. Our common shares have been approved for listing on the NASDAQ Capital Market under the symbol MHLD.

Investing in our shares involves significant risks. See Risk Factors beginning on page 8 of this prospectus to read about the risks you should consider before buying our shares.

Because all of the shares being offered under this prospectus are being offered by the selling shareholders, we cannot currently determine the price or prices at which our common shares may be sold under this prospectus. Prior to the date of this prospectus, we are aware that some of our common shares have been sold in private resale transactions by qualified institutional buyers that purchased our common shares in a private offering that closed in July 2007. We understand those sales have been reported to the Portal Market. Until our common shares are regularly traded or listed on the NASDAQ Capital Market, we anticipate that the selling shareholders initially will sell their shares (if any shares are sold) at the prevailing prices on the Portal Market, for which, to our knowledge, the high and low price per share have been $10.00 and $8.00, respectively, for the period from August 13, 2007 to April 1, 2008 (the date of the most recent trade known to us). Thereafter, the selling shareholders may sell all or a portion of these shares from time to time in market transactions through any stock exchange or automated interdealer quotation system on which the common shares are listed or quoted at the time of sale, in the over-the-counter market, in privately negotiated transactions or otherwise, and at prices and on terms that will be determined by market prices prevailing at the time of sale, or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. For additional information on the methods of sale, you should refer to the section entitled Plan of Distribution.

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

The date of this prospectus is __________, 2008

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CERTAIN IMPORTANT INFORMATION

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

In this prospectus, unless the context suggests otherwise:

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

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

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

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

The exchange rates used in this prospectus are based on the noon buying rates as quoted by the Federal Reserve Bank of New York on April 4, 2008.

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

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PROSPECTUS SUMMARY

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

Overview

We are a Bermuda holding company formed in June of 2007 to provide customized reinsurance products and services to subsidiaries of AmTrust Financial Services, Inc. (AmTrust) and small insurance companies and managing general agents in the United States and Europe. We also plan to market to Lloyd s of London (Lloyd s) syndicates and program administrators. Lloyd s is a competitive insurance market where individual underwriters accept risks on behalf of groups, called syndicates, of individual and corporate members whose resources provide the security behind Lloyd s policies. Reinsurance is an arrangement by which one insurance company, called the reinsurer, agrees to indemnify another insurance (or reinsurance) company, called the ceding company, against all or a portion of the insurance (or reinsurance) risks underwritten by the ceding company under one or more policies.

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

For the period May 31, 2007 to December 31, 2007, we had $247.4 million of net written premiums, $110.2 million of net earned premium, $15.2 million of net investment income and $22.1 million of net income. As of December 31, 2007, we had total assets of $715.6 million and total shareholders equity of $537.3 million.

AmTrust, a publicly traded insurance holding company listed on the NASDAQ Global Market and headquartered in New York, is currently our primary customer. Under the quota share reinsurance agreement (the Quota Share Agreement) with AmTrust s Bermuda reinsurance subsidiary, AmTrust International Insurance, Ltd. (AII), effective as of July 1, 2007, we reinsure 40% of AmTrust s written premium (net of commissions, in the case of AmTrust s UK subsidiary), net of reinsurance with unaffiliated reinsurers, on AmTrust s existing lines of business and, possibly, future lines of business. In 2007, AmTrust s gross written premiums totaled $839.4 million, and its premiums ceded to unaffiliated reinsurers totaled $171.9 million. AmTrust receives from us a ceding commission of 31% of premiums ceded, subject to adjustments, which is intended to cover its acquisition costs, and a brokerage commission of 1.25% of premiums ceded on all business that we reinsure from AmTrust. We also assumed, effective as of July 1, 2007, 40% of AmTrust s unearned premium reserve, which resulted in a transfer to us of $126.6 million. The Quota Share Agreement has an initial term of three years, and will be extended for further terms of three years unless either party elects not to renew. We believe that our relationship with AmTrust, by providing us with a source of historically profitable business that has expanded substantially over the last several years, should enable us to achieve profitable growth in our first years of operations.

According to A.M. Best Company (A.M. Best), there are more than 800 property and casualty insurance companies in the U.S. with less than $100 million in surplus. We plan to expand our client base by offering our products primarily to small insurance companies in the United States and Europe that could benefit from the additional underwriting capacity provided by reinsurance to expand their operations. We plan

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to pursue reinsurance opportunities with insurance companies, like AmTrust, that specialize in workers compensation for small businesses in low and medium hazard classes, commercial property and casualty program business for discrete industry segments that are underwritten by managing general agents with appropriate expertise and extended warranty and specialty risk programs that are characterized by low coverage limits and high volume. We believe we will be able to offer our prospective reinsureds expertise in underwriting and administering specialty property and casualty business.

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

Market Opportunity

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

We believe that our reinsurance arrangements with AmTrust provide us with an opportunity to participate in the profitable growth of AmTrust s premiums over a multi-year period and that this base business with AmTrust provides us with a platform to develop a substantial business with other insurers over time.

AmTrust Quota Share Business

AmTrust is a multinational specialty property and casualty insurance holding company, which currently transacts business through seven insurance company subsidiaries: Technology Insurance Company, Inc. (TIC), Rochdale Insurance Company (RIC), Wesco Insurance Company (WIC) and Associated Industries Insurance Company, Inc. (AIIC), which are domiciled in New Hampshire, New York, Delaware and Florida, respectively, and AII, AmTrust International Underwriters Limited (AIU) and IGI Insurance Company, Ltd. (IGI), which are domiciled in Bermuda, Ireland and England, respectively. AmTrust s current majority stockholders acquired AmTrust and its subsidiaries, TIC and AII, from Wang Laboratories, Inc. in 1998 to focus on niche specialty and casualty markets.

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

AmTrust, through its insurance subsidiaries, is a direct insurer in the United States, the United Kingdom and other European countries, which means that it provides insurance coverage directly to policyholders. We are a reinsurer, which means that we assume a portion of the risks insured or reinsured by other insurance companies, such as AmTrust. AmTrust generally does not provide reinsurance for non-affiliates and we do not intend to conduct business as a direct insurer in any jurisdiction. Therefore, we believe our businesses provide complementary products and services.

TIC, RIC, WIC, AII and AIU are each rated A- by A.M. Best, which is the fourth highest of 16 rating levels. IGI, which AmTrust acquired in April 2007, and AIIC, which AmTrust acquired in September 2007, are not currently rated by A.M. Best. AII, TIC, and RIC have maintained the A- rating since 2003. WIC has maintained its rating since it was assigned by A.M. Best upon AmTrust s acquisition of WIC on June 1, 2006. AIU has maintained its A- rating since June 2007.

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Other Business

We have begun to see increased flow of submission of reinsurance opportunities. We have adopted a disciplined underwriting posture and thoroughly review all reinsurance opportunities before determining whether to participate. As of January 1, 2008, we entered into four reinsurance agreements for business other than the Quota Share Agreement. These include:

a 45% participation in the $9 million in excess of $1 million layer of AmTrust s workers compensation excess of loss program;

a 35% quota share in a general liability senior housing program;

a 50% participation in a $4 million in excess of $1 million specialty transportation program; and

an 18.5% quota share participation in a specialty general liability line.

Business Strategy

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

Rely on AmTrust as an Initial Principal Production Source. Currently, we derive the substantial majority of our business from our reinsurance arrangements with a subsidiary of AmTrust. We project that a substantial amount of our reinsurance business will continue to be derived from AmTrust while we gradually develop business opportunities from other distribution sources.

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

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

Competitive Strengths

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

Access to Profitable Book of Business from AmTrust. Pursuant to our Quota Share Agreement with AII and a related master agreement with AmTrust, we reinsure 40% of all the insurance business (net of reinsurance with unaffiliated reinsurers) of the types that AmTrust wrote at the time we entered into the Quota Share Agreement. AmTrust generated a weighted average net loss ratio of 64.0% for the three years ended December 31, 2007. The loss ratio is a measure of the profitability of an insurance or reinsurance company s underwriting operations. It represents a company s total expenses for losses and loss adjustment expenses (the costs incurred to investigate, adjust and defend claims) incurred as a percentage of total premiums earned. The net loss ratio is the loss ratio calculated after taking into account the effect of any reinsurance.

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

Strong Market Relationships. We intend to market our reinsurance products principally through our management s industry contacts and through independent reinsurance intermediaries. We believe that our management team s significant prior operating experience should allow us to establish our presence in the reinsurance markets.

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

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

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

Our Relationship with Founding Shareholders and AmTrust

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

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

Our Chief Executive Officer, Max G. Caviet, is currently an AmTrust executive. Mr. Caviet is expected to become a full-time employee of Maiden following a transition period which is not expected to extend beyond June 30, 2008.

Our Challenges, Weaknesses and Risks

As part of your evaluation of our company, you should take into account the challenges, weaknesses and risks we face in implementing our strategies, including:

Dependence on AmTrust. We are dependent on AmTrust for a significant portion of our business and may be exposed to conflicts of interest with AmTrust.

Insufficient Market Opportunities. The market opportunities to write reinsurance of specialty property and casualty insurance may not materialize as we anticipate.

Start-up Company. We are a new company with a limited operating history and may be unable to establish our infrastructure and operations successfully.

Provisional Chief Executive Officer. Our President and Chief Executive Officer, Max G. Caviet, has only a provisional employment agreement. There is no assurance that Mr. Caviet will remain employed by us.

Ratings. Our A.M. Best rating could be downgraded, which could significantly impair our ability to conduct business.

Losses in Excess of Expectations. Our actual losses under our reinsurance agreements could exceed, perhaps substantially, the reserves we establish, resulting in a reduction to our net income.

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Tax. The taxation of Maiden Holdings and our shareholders may differ from the anticipated tax consequences, which could significantly impair our results and the value of an investment in our common shares.

For a description of these and other risks relating to an investment in our common shares, see Risk Factors beginning on page 8.

Private Offering

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

In connection with the private offering, we entered into a registration rights agreement for the benefit of the holders of the shares sold in the private offering. We also entered into a registration rights agreement with our Founding Shareholders with respect to their ownership of 7,800,000 of our common shares, of which 5,200,000 common shares are being registered pursuant to the registration statement of which this prospectus is a part, and 4,050,000 common shares issuable upon exercise of the warrants we granted to our Founding Shareholders. See Description of Share Capital Registration Rights.

Determination of Offering Price for this Offering

Because all of the shares being offered under this prospectus are being offered by the selling shareholders, we cannot currently determine the price or prices at which our common shares may be sold under this prospectus. Prior to the offering pursuant to this prospectus, there has been no public market for our common shares. We are aware that, prior to the date of this prospectus, certain qualified institutional buyers of our common shares in our private offering, which was completed in July 2007, have traded our common shares on the PORTAL Market. To our knowledge, the most recent price at which shares were resold on the PORTAL Market was $8.00 per share on April 1, 2008. We determined the $10.00 offering price per share in the private offering in consultation with the initial purchaser of many of the shares in the private offering. In making such determination, we considered many factors, including our business strategy and the amount of capital we needed to raise in the private offering to implement our business strategy, the business we expected to receive from AmTrust, the market demand for our shares and our capital structure.

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

Our Organization

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

How to Contact Us

Our principal executive office is located at 48 Par-la-Ville Road, Suite 1141, Hamilton HM 11, Bermuda and our telephone number is (441) 292-7090.

THE OFFERING

Shares offered by the selling shareholders:

A total of up to 56,870,000 common shares held by the selling shareholders, consisting of the following: 51,670,000 common shares sold in the private offering and 5,200,000 common shares held by the Founding Shareholders. The selling shareholders may or may not sell any or all of the common shares that have been registered by us.

Shares outstanding:

59,550,000 common shares. Our outstanding shares exclude:

4,050,000 common shares issuable upon the exercise of the warrants we issued to our Founding Shareholders;

868,000 common shares issuable upon the exercise of outstanding stock options we granted to non-employee directors, certain officers of our company and other persons; and

1,932,000 additional common shares available for issuance under our 2007 Share Incentive Plan.

Dividends:

Our board of directors currently intends to authorize the payment of a cash dividend of $0.025 per common share each quarter. Any determination to pay dividends will be at the discretion of our board of directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory, rating agency and any contractual restrictions on the payment of dividends and any other factors our board of directors deems relevant, including Bermuda legal and regulatory

constraints.
Use of proceeds:
We will not receive any of the proceeds from the sale by selling shareholders of our common shares.
Trading:
No public market currently exists for our common shares, and our common shares are not currently listed on any national exchange or market system. Our common shares have been approved for listing on the NASDAQ Capital Market under the symbol MHLD .

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Summary Historical Consolidated Financial Information

The following table sets forth our summary historical consolidated financial information as of December 31, 2007 and for the period from May 31, 2007 to December 31, 2007. The historical results are not necessarily indicative of results to be expected in any future period. This financial information is derived from our audited consolidated financial statements included elsewhere in this prospectus. You should read the following summary historical financial information in conjunction with the information contained in this prospectus, including Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes included elsewhere in this prospectus. Many factors may cause our future results to differ materially from the financial information and results presented below, including those factors discussed in Risk Factors and A Warning About Forward-Looking Statements.

	As of December 31, 2007 or for the period from May 31, 2007 to December 31, 2007 (in thousands, except share and per share data)
Summary Statement of Income Data	
Net premium written	$ 247,353
Change in unearned premium	(137,166)
Net earned premium	110,187
Net investment income	15,233
Net realized gain on investments	170
Total revenues	125,590
Loss and loss adjustment expense	65,017
Commission and other acquisition expenses	35,525
Salaries and benefits	1,016
Other general and administrative expenses	1,945
Total expenses	103,503
Net income	22,087
Per Share Data	
Basic and diluted earnings per common share	$ 0.44
Basic and diluted weighted average shares outstanding	50,759,772

Dividends declared per common share	$ 0.025
Book value per common share[(1)]	$ 9.02
Summary Balance Sheet Data	
Total investments	$ 490,445
Cash and cash equivalents	35,729
Accrued investment income	3,204
Reinsurance balances receivable, net	27,990
Loan to related party	113,542
Deferred commission and other acquisition costs	44,215
Other assets	483
Total Assets	715,608
Loss and loss adjustment expense reserves	38,508
Unearned premiums	137,166
Accrued expenses and other liabilities	2,589
Total liabilities	178,263
Total shareholders equity	537,345

(1) Total shareholders equity divided by 59,550,000 total shares outstanding as of December 31, 2007.

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RISK FACTORS

An investment in our shares involves a high degree of risk. Before making an investment decision, you should carefully consider all of the risks described in this prospectus. If any one or more of the risks discussed in this prospectus actually occurs, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the price of our shares could decline significantly and you may lose all or a part of your investment. We have set forth below what we believe to be the risks that affect us. See A Warning About Forward-Looking Statements.

Risks Related to Our Business

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

We currently derive the substantial majority of our reinsurance business from AmTrust and we will continue to derive a substantial portion of our business from AmTrust during our initial years of operation. We commenced our reinsurance business by providing traditional quota share reinsurance to AmTrust through the Quota Share Agreement with AII, assuming initially a 40% quota share portion of the net liabilities less recoveries of the policies written by AmTrust. In addition, effective January 1, 2008, we have a 45% participation in the working layer of AmTrust s workers compensation excess of loss reinsurance program. The working layer of AmTrust s excess of loss reinsurance program is the layer immediately above AmTrust s retention. At present, the working layer is $9 million of losses and loss adjustment expenses per occurrence in excess of AmTrust s $1 million per occurrence retention, subject to an annual aggregate deductible in the amount of $1.25 million.

Accordingly, we are dependent on AmTrust and its subsidiaries for a substantial portion of our business. Our Quota Share Agreement has an initial term of three years, subject to certain early termination provisions (including if the

A.M. Best rating of Maiden Insurance is reduced below A-) and our asset management agreement with an AmTrust subsidiary has an initial term of one year, subject to certain early termination provisions. The Quota Share Agreement and the asset management agreement will be extended for additional terms of three years and one year, respectively, unless either party elects not to renew. There is no assurance that any of these agreements or our reinsurance brokerage or brokerage services agreements with AmTrust will not terminate. The termination of the Quota Share Agreement would significantly reduce our revenues during our initial years of operation and the termination of any of these agreements would increase our dependence on third-party insurance companies, managing general agents, reinsurance brokers and other service providers to support our business and would have a material adverse effect on us. Maiden Insurance and AII are entitled to terminate the Quota Share Agreement under certain circumstances, including, but not limited to, if: