



April 8, 2004

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Staff changes

We are pleased to announce three changes to the Organization's management staff. Because of a changing business environment particularly those changes imposed by Sarbanes-Oxley legislation we have created an additional position, Manager of Internal Auditing. This position will be responsible for reviewing, for potential changes, the enabling statutes of the Organization and for any necessary Sarbanes-Oxley requirements.

Bob Greer, formerly Director of Reinsurance Facility Operations, has agreed to accept this challenging position.

As a result of this transition, Edith Davis has been promoted to Director of Reinsurance Facility Operations. Edith is an eleven year Facility associate, currently responsible for all cession accounting related activity. She is a Certified Public Accountant and is working towards her CPCU designation.

In another Organization's management move, with the retirement of long time IT Manager Bill Scott, we have promoted Jim Auman to Manager, Information Technologies.

Jim is a graduate of North Carolina State University and has been with the Organizations for ten years. He brings a wealth of technical expertise, energy and enthusiasm to our electronic operation.

Please join me in congratulating Bob, Edith and Jim in their new positions. They are looking forward to working with you.

Sincerely,

Raymond F. Evans, Jr., CPCU

General Manager

RFE:lm

RF-04-3