

RAM HOLDINGS LTD.
(a Bermuda company)

RAM Re House
46 Reid Street
Hamilton HM 12
Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held Wednesday September 28, 2011

Dear Shareholders:

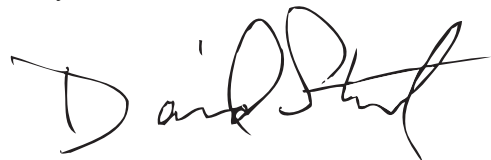
We are pleased to invite you to our 2011 Annual General Meeting of Shareholders, which we refer to as the "**Annual Meeting**". We will hold the Annual Meeting at the Loews Hôtel Le Concorde, Québec, 1225 cours du Général-De Montcalm, Québec City, Québec, G1R 4W6, Canada, on Wednesday September 28, 2011, at 4:00 p.m. local time. The purpose of the Annual Meeting is:

1. To approve the consolidation of all of the issued common shares of RAM Holdings Ltd., ("**RAM Holdings**" or "**we**," "**us**" and "**our**") whereby RAM Holdings' common shares of par value US\$0.10 each would be consolidated into common shares of par value US\$1.00 each on a 1 for 10 basis (the "**Consolidation**").
2. To make two amendments to RAM Holdings Bye-laws as follows: (i) to amend Bye-law 15.2 in order to provide the directors a broader discretion to address fractional shares arising on an alteration or reduction of share capital and (ii) to amend Bye-law 20.1 to allow for the issue of bonus shares on a non pro-rata basis where approved by the shareholders.
3. To approve the issue of fractional bonus shares to shareholders holding fractions of common shares as a result of the Consolidation.
4. To approve the change of name of RAM Holdings from RAM Holdings Ltd. to American Overseas Group Limited.
5. To elect the directors of RAM Holdings, to serve until RAM Holdings' 2012 annual general meeting.
6. To appoint Deloitte & Touche Ltd., Hamilton, Bermuda, as RAM Holdings' independent auditor for the financial year ending December 31, 2011, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee.
7. To direct RAM Holdings to act on various matters concerning our subsidiary, RAM Reinsurance Company Ltd. ("**RAM Re**").

Enclosed is our Proxy Statement, which explains the matters to be acted upon at the Annual Meeting, and our 2010 Annual Report, which includes our financial statements and schedules for the year ended December 31, 2010. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2010 and accompanying auditor's report will be presented at the Annual Meeting.

You may vote at the Annual Meeting if you were a shareholder of record, as shown by the register of members of RAM Holdings, at the close of business on July 27, 2011.

By order of the board of directors,



David K. Steel
Director, President and Chief Executive Officer

August 19, 2011
Hamilton, Bermuda

**PROXY STATEMENT
TABLE OF CONTENTS**

	Page
Information About Our Annual General Meeting of Shareholders	1
Information About Directors, Corporate Governance and Director Compensation	4
Information About Our Executives and Executive Compensation	14
Information About the Owners of Our Common Shares	15
Proposals Recommended by the Board of Directors	16
Additional Information	27

RAM HOLDINGS LTD.
(a Bermuda company)
RAM Re House, 46 Reid Street, Hamilton HM 12, Bermuda

PROXY STATEMENT

INFORMATION ABOUT OUR ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are sending you this Proxy Statement because our board of directors is soliciting your proxy to vote at the 2011 Annual General Meeting of shareholders of RAM Holdings Ltd., which we refer to as our "**Annual Meeting**".

Date, Time and Location of the Annual Meeting

We will hold the Annual Meeting at the Loews Hôtel Le Concorde, Québec, 1225 cours du Général-De Montcalm, Québec City, Québec, G1R 4W6, Canada, on Wednesday September 28, 2011, at 4:00 p.m. local time.

Proposals to be Voted on at the Annual Meeting

The proposals to be voted on at the Annual Meeting are:

1. To approve the consolidation of all of the issued common shares of RAM Holdings Ltd., ("**RAM Holdings**" or "**we**," "**us**" and "**our**") whereby RAM Holdings' common shares of par value US\$0.10 each would be consolidated into common shares of par value US\$1.00 each on a 1 for 10 basis (the "**Consolidation**").
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5. To elect the directors of RAM Holdings Ltd., to serve until RAM Holdings' 2012 annual general meeting.
6. To appoint Deloitte & Touche Ltd., Hamilton, Bermuda, as RAM Holdings' independent auditor for the financial year ending December 31, 2011, and to authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee.
7. To direct RAM Holdings to act on various matters concerning our subsidiary, RAM Reinsurance Company Ltd. ("**RAM Re**").

RAM Holdings 2010 Annual Report

We have enclosed our 2010 Annual Report with this Proxy Statement. The 2010 Annual Report is included for informational purposes and not as a means of soliciting your proxy. **Additional copies of the 2010 Annual Report and financial statements and schedules for the year ended December 31, 2010 may be**

obtained, without charge, by writing to the Secretary of RAM Holdings, RAM Re House, 46 Reid Street, HM 12, Bermuda. The audited consolidated financial statements for RAM Holdings for the year ended December 31, 2010 and accompanying auditor's report will be presented at the Annual Meeting.

Mail Date

This Proxy Statement, and the accompanying Notice of Annual General Meeting of Shareholders and Proxy, are first being mailed to shareholders on or about August 26, 2011.

Our Voting Securities

The record date for our Annual Meeting is July 27, 2011. If you owned RAM Holdings common shares at the close of business on July 27, 2011, you may vote at the Annual Meeting. On the record date, 26,440,509 of our common shares (net of treasury shares held by RAM Holdings) were outstanding. The common shares are our only class of equity securities issued and outstanding and entitled to vote at the Annual Meeting.

Number of Votes for each Common Share

In general, you have one vote for each common share owned at the record date. The following exceptions may apply:

Reduction or Increase of Voting Power Under our Bye-laws

Under our Bye-Laws, if you are a U.S. shareholder, other than the PMI Purchaser (as described below), who controls, directly, indirectly or constructively, as described in our Bye-Laws, more than 9.9% of our common shares, your total voting power will be reduced to 9.9% of the total voting power of our common shares. The determination of control is made under the relevant provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"). These provisions may attribute to your ownership of shares held by another shareholder who has invested in the same partnership as you have, among other types of "constructive" ownership. In addition, our board of directors may otherwise limit your voting rights if the board believes it is necessary to do so to avoid adverse tax, legal or regulatory consequences.

If the voting power of any of our shareholders is reduced under our Bye-Laws, this reduction may increase another shareholder's voting power to more than 9.9%. In this case, our Bye-Laws would repeatedly reduce the voting power of all affected shareholders until no shareholder, other than the PMI Purchaser, has voting power of more than 9.9%. If we believe you are a U.S. shareholder who may control more than 9.9% of our common shares, we may ask you to provide us with additional information so that we can verify your ownership and determine if your voting power needs to be reduced. We may disregard the votes of any shareholder who fails to respond to a request for further information or who, in our judgment, submits incomplete or inaccurate information. In addition, because we may not know about your ownership, we request that you contact us promptly if you believe you may control more than 9.9% of the common shares. When you submit your proxy, we will consider the submission confirmation that, to your knowledge, you do not control, and you are not acting on behalf of a shareholder who controls, more than 9.9% of our common shares.

At our 2009 annual general meeting of shareholders, shareholders approved certain amendments to our Bye-Laws that provided for certain rights specific to The PMI Group, Inc., PMI Mortgage Insurance Co. or any successor entity (collectively, "**PMI**"). In December 2009, PMI Mortgage Insurance Co. and another shareholder, High Ridge Capital Partners Limited Partnership, sold all of their respective RAM Holdings common shares to Calliope Investments Ltd., an unrelated entity affiliated with one of our directors (the "**PMI Purchaser**"). As a result of these and certain subsequent purchases, the PMI Purchaser owns approximately 40% of our common shares (net of treasury shares held by RAM Holdings) and has assumed the rights specific to PMI under our Bye-Laws.

Our Bye-Laws have voting limitation provisions that are applicable only to the PMI Purchaser (or any person whose only controlled shares are the controlled shares owned by the PMI Purchaser). These provisions apply if the PMI Purchaser (or any such person) is a U.S. person and if at any time the controlled shares of the PMI Purchaser (or such person) constitute (i) more than 9.9% of the voting power controlled by our shares and (ii) 24.5%

or more of either the voting power or value of our shares. These voting limitations are not currently applicable with respect to the common shares owned by the PMI Purchaser.

Cumulative Voting

In the case of the election of directors only, you may vote your shares on a cumulative basis, meaning you will have a number of votes equal to the product of the number of shares owned by you and the number of directors to be elected. If you wish to vote your shares cumulatively, you must provide notice to the Secretary of RAM Holdings at the address above at least two days prior to the date of the Annual Meeting. If any shareholder has notified us that he or she will be voting on a cumulative basis, then all shareholders may cumulate their votes for directors at the Annual Meeting. If cumulative voting is in effect, common shares represented by a valid proxy at the Annual Meeting will be voted on a cumulative basis and distributed among director nominees in accordance with the judgment of the appointed proxies. However, no votes of a shareholder will be distributed to a nominee for whom the shareholder voted against or withheld his or her vote.

Quorum Requirement

The presence of two or more persons, representing in person or by proxy shares carrying more than 50% of the voting power of our outstanding common shares as of July 27, 2011, the record date of the Annual Meeting, is necessary to constitute a quorum at the Annual Meeting. Assuming that a quorum is present, the affirmative vote of the holders of a simple majority of the common shares voted at the Annual Meeting in person or by proxy will be required to approve each of the matters to be voted upon at the Annual Meeting.

Voting Methods

If you are a registered shareholder, meaning that your name and shareholdings are registered in our register of members, you may exercise your vote by completing, signing and returning by mail the enclosed form of proxy so that it is received at least 24 hours before the Annual Meeting, or in person at the Annual Meeting. When you exercise your vote by using the form of proxy, you are instructing another person to vote your shares for you at the Annual Meeting in the manner that you indicate. These persons, called proxies, are named on your proxy card. If you have not provided instructions in the proxy, your shares will be voted FOR each of the proposals described in this Proxy Statement and set forth on the form of proxy, and in accordance with the proxy holder's discretion as to any other business as may properly come before the Annual Meeting. Please see above, "Number of Votes for each Common Share," for information about cumulative voting.

If, like many shareholders, you are a beneficial shareholder and hold your shares in "street name," meaning that you hold your shares through a bank, broker or other institution, you must instruct that institution how to vote your shares. They will usually provide you with an appropriate voting instruction form when they send you this proxy statement.

Revocation of Proxy

If you are a registered shareholder and you use the enclosed form of proxy, you can revoke your proxy or change your voting instructions in one of these ways:

- (1) By delivering another proxy dated after your prior proxy no less than 24 hours before the Annual Meeting to the Secretary of RAM Holdings at the address above.
- (2) By attending the Annual Meeting and voting in person; or
- (3) By delivering a written notice of revocation of your proxy no less than 24 hours before the Annual Meeting to the Secretary of RAM Holdings at the address above.

If you are a beneficial shareholder, you should contact the institution that holds your shares directly to change your voting instructions.

Voting in Person

If you are a registered shareholder, you may vote your shares in person even if you have returned a proxy. If you choose to vote your shares in person at the Annual Meeting, please bring the enclosed proxy card and proof of identification. Even if you plan to attend the Annual Meeting, we recommend that you appoint a proxy in advance, as described above, so that your vote will be counted if you are unable to attend the Annual Meeting.

Abstentions

If you are a registered shareholder and abstain from voting on a proposal, your vote will not count as a vote cast, but the abstention will be represented at the Annual Meeting and will count toward establishing a quorum.

If you are a registered shareholder and you do not vote, your shares will not be represented at the Annual Meeting and will not affect the outcome of our proposals. If you are a registered shareholder and return a blank but signed proxy card, your shares will be voted in the manner recommended by our board of directors, which is FOR Proposals 1 – 7. This will generally also be the case for beneficial shareholders, as explained in more detail below.

Broker non-votes

If you are a beneficial shareholder and you do not give voting instructions to your broker, your broker may have discretionary authority to vote your shares for you on certain proposals that are considered routine matters. Brokers who have discretionary authority generally vote in the manner recommended by our board of directors. The only item to be acted upon at the Annual Meeting with respect to which a broker will be permitted to exercise voting discretion is Proposal 6. When a broker votes a client's shares on some but not all of the proposals, the missing votes are called broker non-votes. If broker non-votes occur at the Annual Meeting, the shares in this category will count toward the establishment of a quorum, but the broker non-votes will have no effect on the outcome of those proposals on which the broker does not or cannot vote.

Availability of the proxy statement and annual report online

This proxy statement and our annual report for 2010 are available at www.ramre.com by first clicking "Investor Information" and then "Annual Reports and Proxy Statements".

INFORMATION ABOUT DIRECTORS, CORPORATE GOVERNANCE AND DIRECTOR COMPENSATION

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines to assist our board of directors in the exercise of its responsibilities to RAM Holdings. The Corporate Governance Guidelines are available on our website at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance". The Corporate Governance Guidelines set out the role, duties and responsibilities of our board of directors and other governance matters. The Corporate Governance Guidelines are reviewed annually by the Compensation, Nominating and Corporate Governance Committee.

Composition of the Board of Directors

There are currently five directors on the board of RAM Holdings and six directors on the board of RAM Re. The total number of directors who serve on RAM Holdings board at any given time is currently set at five, and the total number of directors who serve on RAM Re's board is currently set at seven, but this number may in each case increase up to a maximum of 11 board members. Pursuant to Bye-Law 39.5 of RAM Re and the certificate of designation, preferences and rights of the Class B preference shares of RAM Re (the "**Class B preference shares**"), which sets forth the terms of the Class B preference shares, the size of the board of RAM Re is automatically expanded by two members (with the consent of RAM Re's shareholders) upon a failure by RAM Re to pay dividends to holders of RAM Re's Class B preference shares for a period in excess of eighteen consecutive months and the holders of the Class B Preference Shares voting as a single class are entitled to elect two additional directors

to the board of directors of RAM Re. RAM Re currently has 432.01 Class B preference shares outstanding. As previously announced, after the June 15, 2009 dividend on the Class B preference shares was declared, RAM Re suspended subsequent dividends on the Class B preference shares. As a result, the holders of Class B preference shares of RAM Re became entitled to appoint two directors to the board of directors of RAM Re pursuant to By-law 39.5 of RAM Re and the certificate of designation, preferences and rights of the Class B preference shares. David W. Geiss and Steve Gralla were elected to the board of RAM Re by the holders of RAM Re's Class B preference shares at the special general meeting of holders of Class B preference shares held on February 14, 2011. Steve Gralla subsequently informed RAM Re in April 2011 that he was unable to accept his appointment to the board of RAM Re.

It is proposed that the following five directors be appointed by the shareholders as contemplated by Proposals 5 and 7: (i) Edward F. Bader; (ii) Clement S. Dwyer, Jr.; (iii) Debra J. Roberts; (iv) David K. Steel and (v) Steven J. Tynan.

Director Biographies

Set forth below is biographical information concerning each current director and director nominee of RAM Holdings and RAM Re including each such individual's principal occupation and the period during which such person has served as a director of RAM Holdings and RAM Re, if applicable. Information about share ownership of certain directors and executive officers as of December 31, 2010, can be found under "Directors and Executive Officers—Security Ownership of Executive Officers and Directors" of our 2010 Annual Report delivered herewith. The information contained in the "Directors and Executive Officers—Security Ownership of Executive Officers and Directors" section of our 2010 Annual Report would not need to be altered to account for any security ownership in RAM Holdings which Debra Roberts may have held as at that date.

Edward F. Bader
Age 69
Director since 2004

Mr. Bader owns Bader & Associates, a consulting firm. Prior to founding Bader & Associates in August 2001, Mr. Bader was a partner in the Insurance Services Practice of Arthur Andersen LLP with more than 37 years of experience in accounting and auditing concentrating in the insurance industry. He served as the head of Andersen's World Wide Insurance Practice Group. Mr. Bader is a director of Hannover Life Reassurance Company of America. Mr. Bader received a B.S. degree in Economics from Fairfield University.

David L. Boyle*
Age 64
Director since 2005

Mr. Boyle retired as Vice Chairman and Head of Portfolio Risk Management for Ambac Financial Group, Inc. in 2005, where he served in many different executive management capacities for eight years. Previously, Mr. Boyle was a Managing Director at Citibank, N.A. where he had various management responsibilities over a career spanning from 1974 to 1996. He is the former chairman of the Association of Financial Guaranty Insurers, and currently serves as Chairman of the Board of Directors of Wittenberg University and as a director of the Mathers Charitable Foundation. Mr. Boyle received a B.S. from Wittenberg University and an M.B.A. from the Fisher College of Business at The Ohio State University.

Clement S. Dwyer, Jr.
Age 62
Director since 2010

Mr. Dwyer is President of URSA Advisors, Inc. of Portsmouth, New Hampshire, a provider of insurance, reinsurance and capital raising advisory services. Previously he served as President of Signet Star Holdings, Inc., a reinsurance subsidiary of W.R. Berkeley Corp in 1996. From 1970 until 1996 he held various positions at Guy Carpenter & Company, including most recently Executive Vice President and Director. He received a B.A. degree from Tufts University and completed the Executive Program at Stanford University Graduate School of Business. Mr. Dwyer is also a director of Montpelier Reinsurance Holdings, Ltd. in Bermuda, Chairman and a director of Old American County Mutual Fire Insurance Co. of Dallas, Texas, a director of Dowling & Partners of Farmington, Connecticut and a director of ProSight Specialty Holdings Inc. of Santa Rosa, California.

Debra J. Roberts
Age 57
Nominee Director

Ms. Roberts is Chief Executive Officer of Debra Roberts & Associates, LLC which provides risk transfer consulting and arbitration-related services to the domestic and international reinsurance industries. This company has served clients in the United States, Bermuda and Europe since 1993. From 1981 through 1993, Ms. Roberts held positions at three companies within the Swiss Reinsurance Group. She began as Senior Underwriter at North American Reassurance Company, Swiss Re's life and health reinsurer in New York. From 1986 until 1993, she served as Vice President of Atrium Corporation, a reinsurance intermediary wholly-owned by Swiss Re in New York City, and concurrently served as Vice President of European International Reinsurance Company Ltd. of Bridgetown, Barbados, a Swiss Re affiliate specializing in finite reinsurance for U.S. property and casualty companies. Ms. Roberts holds an M.B.A. from Fordham University Graduate School of Business and is a Chartered Financial Analyst.

David K. Steel
Age 53
President, Chief Executive
Officer and Director since
2010

Mr. Steel has been President, Chief Executive Officer and a Director of RAM Holdings and RAM Re since May 2010. He originally joined us in August 2005 as our Chief Risk Manager. Mr. Steel was previously a Managing Director and Portfolio Manager of Hanover Capital Mortgage Holdings, Inc. Prior to Hanover, Mr. Steel served as head of the Domestic Mortgage Insurance and Reinsurance business at ACE Capital Re, Inc. from 2002 to 2004. Prior to ACE, Mr. Steel held various positions at FGIC from 1990 to 2002, where he was most recently a member of the corporate leadership team and headed the Mortgage-Backed Securities and Investments business. From 1984 to 1990, Mr. Steel was an investment banker in the Financial Institutions and Mortgage Finance groups at Lehman Brothers. Mr. Steel holds an M.B.A. from the University of California, Los Angeles and a B.S. from California State University, Sacramento.

Steven J. Tynan
Age 57
Director since 1998
Chairman of the Board of
Directors since 2001

Mr. Tynan is a retired private investor. He co-founded High Ridge Capital LLC, a private equity firm that specialized in the insurance sector, in 1995 and served as a member of the firm through 2009 when all of its remaining portfolio investments were liquidated. Mr. Tynan holds a BBA degree from Hofstra University and is a Certified Public Accountant. Mr. Tynan is a director of Orpheus Group Ltd. in Bermuda as well as all of its direct and indirect subsidiaries in Bermuda and the United States, including Calliope Investments Ltd. in Bermuda and Reid Street Services Ltd. in Bermuda.

David W. Geiss**
Age 43
Director since 2011

Mr. Geiss is Vice President, General Counsel and Corporate Secretary of Perceptron, Inc., a publicly traded company. Prior to joining Perceptron, Inc. in 2003 Mr. Geiss was a senior associate at Dykema Gossett PLLC from 1997 to 2003 and an associate at Sills, Law, Essad, Fiedler & Charboneau from 1992 to 1997. Mr. Geiss received his J.D., graduating cum laude, from the University of Detroit School of Law and an A.B. in Political Science, cum laude, from the University of Michigan.

* David L. Boyle is not standing for re-election to the board of directors of RAM Holdings or RAM Re and will therefore not be appointed as a member of any committee of RAM Holdings or RAM Re upon cessation of his term at the 2011 Annual Meeting

** David W. Geiss was elected to the board of RAM Re by the holders of RAM Re's Class B preference shares at the special general meeting of holders of Class B preference shares held on February 14, 2011. Although Mr. Geiss is not a director nominee of RAM Re for purposes of the Annual Meeting, Mr. Geiss will continue to serve as a RAM Re director following the Annual Meeting.

Independence

As previously announced, RAM Holdings delisted its common shares from the NASDAQ Stock Exchange and ceased filing public reports with the U.S. Securities and Exchange Commission (the "SEC") on May 14, 2009. Therefore, the NASDAQ and SEC rules and requirements relating to the determination of "independent" directors no longer apply to RAM Holdings. Furthermore, the rules of the Bermuda Stock Exchange on which RAM Holdings' common shares are listed and the Pink Sheets on which the common shares also trade do not prescribe requirements for independent directors of the RAM Holdings board of directors. The board of directors of RAM Holdings does, however, still consider and make determinations as to the independence of the directors of RAM Holdings.

Board of Directors Meetings

Our board of directors and its committees held the following number of meetings during the financial year ended December 31, 2010:

Board of Directors.....	6
Audit Committee.....	4
Compensation, Nominating and Corporate Governance Committee.....	4
Risk Management Committee of RAM Re*.....	4

*The Risk Management Committee was established by the board of directors of RAM Re.

Our board of directors generally meets in executive session for part of each regularly scheduled meeting. As a Bermuda company, we hold our board of directors' meetings outside of the United States primarily in Bermuda. Each of our directors nominated for re-election pursuant to this proxy statement attended in person, or by telephone from outside of the United States, at least 75% of the total number of meetings of our board of directors and any committee on which he or she served.

Board of Directors Committees

We have an audit committee, a compensation, nominating and corporate governance committee, and a risk management committee. The current members of each of the committees are set forth in the following table:

<u>Director</u>	<u>Audit Committee</u>	<u>Compensation, Nominating and Corporate Governance Committee</u>	<u>Risk Management Committee of RAM Re</u>
Edward F. Bader.....	X	X	X
David L. Boyle.....	X	X	X*
Clement S. Dwyer, Jr.	X	X	X
David K. Steel.....			
Steven J. Tynan.....	X	X*	X
David W. Geiss.....			

* Chairman

The composition of any or all committees may change, subject to the results of elections of directors at shareholders' meetings or for other reasons. Additionally, we may from time to time form other committees as circumstances warrant with such authorities and responsibilities as are delegated by our board.

Audit Committee

The Audit Committee was established to assist our board of directors in its oversight of the integrity of our financial reporting process, the system of internal controls, the audit process, and the performance, qualification and independence of our independent auditors. Edward F. Bader has the attributes of an "audit committee financial expert" as defined by the Sarbanes Oxley rules. Current members of the Audit Committee are: Edward F. Bader (chairman), David L. Boyle, Clement S. Dwyer, Jr. and Steven J. Tynan.

The Audit Committee met in person four times in 2010. The Audit Committee meets periodically in separate sessions with the management of RAM Holdings and with the independent auditors. The duties and responsibilities of the Audit Committee are set forth in the committee's charter, a copy of which is available on our website at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance", and include to:

- recommend, through our board of directors, to the shareholders the appointment and termination (subject to Bermuda law) of our independent auditors;
- review and approve the independent auditors' proposed audit scope, approach, staffing and, subject to our shareholders authorizing our board of directors acting by the audit committee, fees;
- pre-approve all audit and, unless applicable law permits otherwise, permitted non-audit services to be performed by the independent auditors;
- meet periodically with our management, our internal auditors and the independent auditors in separate executive sessions;
- review the adequacy of our internal control structure;
- review any proposed public disclosures regarding an assessment or evaluation of our internal controls and procedures for financial reporting every quarter;
- review and discuss with management and the independent auditors, our annual audited financial statements and Management's Analysis of Results of Operations;
- discuss with management our earnings press releases, including the use of "pro forma" or "adjusted" non-U.S. GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies;
- discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles (which shall be communicated to the committee by our chief executive officer as soon as reasonably practicable), the selection and disclosure of critical accounting estimates, and the effect of alternative assumptions, estimates or accounting principles on our financial statements; and
- review and approve procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Compensation, Nominating and Corporate Governance Committee

Current members of the Compensation, Nominating and Corporate Governance Committee are: Steven J. Tynan (Chairman), Edward F. Bader, David L. Boyle and Clement S. Dwyer, Jr.

The Compensation, Nominating and Corporate Governance Committee met four times in 2010. The agenda for meetings of the Compensation, Nominating and Corporate Governance Committee is determined by its Chairman with the assistance of the Secretary of RAM Holdings. Our executives are not present during the portions of the Compensation, Nominating and Corporate Governance Committee meetings in which their compensation is determined. The Compensation, Nominating and Corporate Governance Committee reports the committee's recommendations on compensation to our board of directors.

Compensation

The Compensation, Nominating and Corporate Governance Committee discharges our board of directors' responsibilities relating to compensation of our most highly-compensated employees and the most highly-compensated employees of Reid Street Services Ltd. ("**RSSL**") mandated to work for RAM Holdings and/or RAM Re pursuant to the Management Agreement between RAM Holdings, RSSL and others dated May 1, 2010 (the "**RSSL Management Agreement**").

The duties and responsibilities of the Compensation, Nominating and Corporate Governance Committee in relation to compensation are set forth in the committee's charter, a copy of which is available on our website at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance", and include to:

- make recommendations to the board of directors with respect to the compensation of directors and committee members, and make recommendations to the board of directors with respect to the guidelines for director ownership of shares of RAM Holdings;
- establish a formal evaluation process for, and determine the compensation for, the Chief Executive Officer and as part of such process, to review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and evaluate the Chief Executive Officer's performance in light of those goals and objectives;
- to the extent that it is required to do so, and in accordance with the RSSL Management Agreement, make recommendations to either or both of RSSL and the Chief Executive Officer with respect to the employment and compensation of employees of RAM Holdings (other than the Chief Executive Officer) and employees of RSSL mandated to work for RAM Holdings and/or RAM Re, including any bonuses;
- make recommendations to the board of directors with respect to all employee and director benefit plans, including any incentive compensation plans and equity-based plans, which may include restricted shares, stock option and deferred compensation plans of RAM Holdings, including any amendments to such plans and all awards of shares or share options pursuant to any equity-based plans of RAM Holdings; and
- make recommendations to the board of directors (to the extent required) with respect to the board of directors supervision, limitation and direction of RSSL with respect to the provision by RSSL of services to RAM Holdings pursuant to the RSSL Management Agreement, including the rights reserved to RAM Holdings and RAM Re in respect of the appointment and selection of employees of RSSL mandated to work for RAM Holdings and/or RAM Re.

Under the charter of the Compensation, Nominating and Corporate Governance Committee, it is not entitled to sub-delegate any or all of the powers and authority delegated to it.

For information regarding our stock option plan and equity compensation of our directors and executive officers, please see Note 19 "Share Based Compensation" to the audited consolidated financial statements of RAM Holdings, included as part of our 2010 Annual Report delivered herewith, and "Directors and Executive Officers Information—Equity Compensation of Directors" and "—Equity Compensation of Executive Officers" of our 2010 Annual Report.

Nominating and Corporate Governance

The Compensation, Nominating and Corporate Governance Committee also assists our board of directors in (1) identifying individuals qualified to become board of directors members, and recommending to the board of directors director nominees for the next annual general meeting of shareholders or to fill vacancies; and (2) developing and recommending to the board of directors appropriate corporate governance guidelines.

The duties and responsibilities of the Compensation, Nominating and Corporate Governance Committee in relation to nominating and corporate governance are also set forth in the committee's charter, a copy of which is available on our website at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance", and include to:

- develop qualification criteria for board of directors members, and actively seek, interview and screen individuals qualified to become board of directors members for recommendation to the board of directors in accordance with our Corporate Governance Guidelines;
- recommend to the board of directors potential nominees to the board of directors, and the renomination of incumbent directors as appropriate;
- consider potential nominees recommended by shareholders;
- review the compensation of directors and make recommendations to the board of directors on any recommended changes;
- review the directors who are members (including qualifications and requirements), structure (including authority to delegate) and performance, of committees of the board of directors (including reporting to the board of directors), and make recommendations to the board of directors, as appropriate;
- review the qualification of directors as independent;
- prepare and assist the board of directors and each committee thereof in its self-evaluation to determine whether the board of directors and such committees are functioning effectively;
- serve in an advisory capacity to the board of directors and Chairman of the board of directors on matters of our organizational and governance structure and the conduct of the board of directors;
- review and reassess the adequacy of our Corporate Governance Guidelines and recommend any proposed changes thereto; and
- oversee the board of directors self-evaluation process.

Our Compensation, Nominating and Corporate Governance Committee has established the following general qualifications that the committee believes are necessary for director candidates as set forth in the charter of the Compensation, Nominating and Corporate Governance Committee:

- highest standards of personal character, conduct and integrity;
- experience in a position of leadership and substantial accomplishment in his or her field of endeavor, which may include business, government, not-for-profit or academia;
- an understanding of the interests of the shareholders, customers, suppliers and employees of RAM Re, as well as an understanding of the business environment in which it operates, and the intention and ability to act in its interests;
- an ability to understand and exercise sound judgment on issues affecting the company; and
- a willingness and ability to devote the time and effort required to serve effectively on our board of directors, including preparation for and attendance at board and committee meetings.

Our Compensation, Nominating and Corporate Governance Committee has not established specific minimum age, education, years of business experience or specific types of skills for potential director candidates. In

general, our Compensation, Nominating and Corporate Governance Committee believes that RAM Holdings benefits from having directors who represent a diversity of experience that is relevant to RAM Holdings' operation and governance, and who will be independent. For detailed information, please see the footnotes contained under "Directors and Executive Officers—Director Biographies" and "—Executive Biographies" of our 2010 Annual Report delivered herewith. Our Compensation, Nominating and Corporate Governance Committee intends to periodically assess the qualifications for director candidates in accordance with its charter.

Each director candidate identified by the Compensation, Nominating and Corporate Governance Committee is interviewed by several members of our board of directors, and is required to undergo a background check and complete a "D&O Questionnaire" designed to elicit the information required to determine independence. All new directors visit our offices in Bermuda for orientation and training.

By virtue of their right to use cumulative voting, certain of our shareholders effectively have the power to elect specific directors. Further, under the Bye-Laws of RAM Holdings and RAM Re, in the event of a voting cutback that results in the loss of the PMI Purchaser's ability to designate a director through cumulative voting, the PMI Purchaser will be allowed to appoint one director to the board of directors of RAM Holdings and RAM Re so long as it continues to hold at least 8.3% of the then outstanding common shares. As of the date of this proxy statement the PMI Purchaser has not elected any director to the board of directors either in exercise of its cumulative voting rights pursuant to Bye-law 41.6, or otherwise in accordance with the provisions of Bye-law 41.2. Bye-law 41.2 provides a mechanism for the PMI Purchaser, under certain conditions, to elect one director to the board of directors in the event that the voting cutback provisions contained in Bye-laws 38 and 39 impede the PMI Purchaser's ability to elect one director pursuant to the cumulative voting provisions contained in the Bye-laws.

Risk Management Committee

The Risk Management Committee was established by the board of directors of RAM Re to assist the board of directors in overseeing the underwriting, risk management and portfolio management process of RAM Re. Current members of the Risk Management Committee are: David L. Boyle (Chairman), Edward F. Bader, Clement S. Dwyer Jr. and Steven J. Tynan.

The duties and responsibilities of the Risk Management Committee are set forth in the committee's charter, a copy of which is available on our website at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance", and include to:

- review and approve any material changes to the underwriting authority delegated to the credit committee comprised of RAM Re executive officers;
- review and approve any material changes to our underwriting guidelines;
- oversee the underwriting process through the receipt of periodic reports in order to assure general compliance with the underwriting guidelines;
- review portfolio qualitative analyses and sectoral qualitative analyses to assess overall insurance portfolio characteristics and performance;
- monitor risk-based capital adequacy measures and trends over time;
- review surveillance activities with particular focus on the Watch List and reserve level adequacy;
- review market risk measures and management;
- review emerging regulatory, market, accounting and other trends or developments with significant risk implications;

- approve facultative and quota share treaties with material customers and retrocessional agreements;
- review and approve any material changes to the investment authority delegated to the management committee comprised of RAM Re executive officers;
- review and approve any material changes to the investment policy and guidelines;
- oversee the investment process through the selection of asset managers and the receipt of periodic reports from RAM Re's asset manager in order to assure general compliance with the investment policy and guidelines;
- review the investment portfolio composition and performance; and
- review new risk management initiatives.

Director Attendance at Annual Meetings

Each director of RAM Holdings is expected to be present at annual meetings of shareholders, absent exigent circumstances that prevent attendance. All of our then incumbent directors were present in person at the 2010 annual general meeting of shareholders.

Director Compensation

For information regarding our equity compensation of our directors, please refer to "Directors and Executive Officers—Equity Compensation of Directors" of our 2010 Annual Report delivered herewith.

Shareholder Nomination of Directors

It is the policy of our Compensation, Nominating and Corporate Governance Committee that shareholders may suggest director candidates for consideration by the Compensation, Nominating and Corporate Governance Committee by writing to the committee care of the Secretary, RAM Holdings, RAM Re House, 46 Reid Street, Hamilton HM 12 Bermuda. The Compensation, Nominating and Corporate Governance Committee evaluates all director candidates in the same manner and in accordance with the same criteria, regardless of whether they are nominated by shareholders or identified by the committee. The minimum qualifications for director candidates are set forth in the Charter of the Compensation, Nominating and Corporate Governance Committee, and above under "Compensation, Nominating and Corporate Governance Committee".

If a shareholder wishes to propose a director candidate for nomination at the annual general meeting, then the shareholder must comply with the procedures set forth in RAM Holdings' Bye-Laws and Bermuda law, as summarized below under "Additional Information – Shareholder Proposals".

Shareholder and Other Communications to the Directors

The members of our board of directors have instructed the Secretary to initially review all communications directed to them. Communications that are not relevant to the duties and responsibilities of the board, such as spam, junk mail and advertisements, are not reported to the board.

Any communications related to RAM Holdings' accounting, internal accounting controls or auditing matters will be referred promptly to the Chairman of the Audit Committee. Any allegations pertaining to a serious accounting infraction involving senior managers of RAM Holdings or any other potentially material complaint would then be investigated as directed by the Audit Committee and the results of such investigation would be reported to the board.

All other communications received by the Secretary will be forwarded promptly to the specific board committee or director(s) to whom it is addressed or otherwise to the non-management directors as a group.

Shareholders and other interested parties who wish to communicate with the RAM Holdings directors may do so anonymously or confidentially, and should direct correspondence to a particular director or committee, or to the directors as a group, by e-mail at info@ramre.com or by regular mail to the Secretary, RAM Holdings, RAM Re House, 46 Reid Street, Hamilton HM 12 Bermuda.

Transactions with Related Persons, Promoters and Certain Control Persons

On May 1, 2010, RAM Holdings and RAM Re entered into a management agreement with Reid Street Services Limited and Orpheus Group Ltd., whereby RSSL was contracted to provide to both RAM Holdings and RAM Re insurance management and administrative services consistent with RAM Holdings' run off strategy. As part of the management agreement, RSSL agreed to employ all RAM Holdings and RAM Re personnel other than the current President and Chief Executive Officer, David K. Steel. The fees payable by RAM Holdings and RAM Re to RSSL pursuant to the management agreement represent an allocation of the cost of the services and leasehold space provided by RSSL to RAM Holdings and RAM Re without a profit component. Since RSSL is a wholly-owned indirect subsidiary of Orpheus Group Ltd., a Bermuda company in which the Chairman, Mr. Tynan, and a director, Mr. Dwyer, each have a beneficial interest, the management agreement was negotiated at arm's length and approved by a special committee of the board of RAM Holdings (the "**Special Committee**"). The Special Committee meets quarterly to consider and oversee the services provided to RAM Holdings and RAM Re pursuant to the RSSL Management Agreement.

For further information regarding certain related party transactions, please refer to Note 21 "Related Party Transactions" to the audited consolidated financial statements of RAM Holdings, included as part of our 2010 Annual Report delivered herewith.

Code of Conduct

Our Code of Conduct, which is our code of ethics applicable to all directors, employees and consultants, embodies our principles and practices relating to the ethical conduct of our business and our commitment to honesty, fair dealing and full compliance with all laws affecting our business. The Code of Conduct is available at www.ramre.com by first clicking "Investor Information" and then "Corporate Governance". To anonymously and confidentially report a suspected or actual violation of the Code of Conduct, a shareholder or any other party may follow the procedures set forth above under "Shareholders and Other Communications to Directors."

The Bermuda Monetary Authority ("**BMA**") has issued a Code of Conduct applicable to insurers, such as RAM Re, taking into account core principles of the International Association of Insurance Supervisors. The BMA Code of Conduct establishes duties, requirements and standards to be complied with by all insurers registered under the Insurance Act 1978 including procedures and sound principles to be observed. The BMA Code of Conduct came into effect on July 1, 2010. RAM Re had until July 1, 2011 to be compliant with the Code. The directors are aware of the provisions under the BMA Code of Conduct with which RAM Re must comply, and management believes RAM Re is compliant in all material respects with the BMA Code of Conduct.

INFORMATION ABOUT OUR EXECUTIVES AND EXECUTIVE COMPENSATION

Executive Biographies

For biographical information regarding our executive officers, please refer to "Directors and Executive Officers—Executive Biographies" of our 2010 Annual Report delivered herewith and the "Director Biographies" section of this proxy statement.

Executive Compensation

For information regarding our equity compensation of our executive officers, please refer to "Directors and Executive Officers—Equity Compensation of Executive Officers" of our 2010 Annual Report delivered herewith.

INFORMATION ABOUT THE OWNERS OF OUR COMMON SHARES

Security Ownership of Certain Executive Officers and Directors

For information regarding the beneficial ownership of our common shares by our executive officers and directors as of December 31, 2010, please refer to "Directors and Executive Officers —Security Ownership of Executive Officers and Directors" of our 2010 Annual Report delivered herewith.

PROPOSALS RECOMMENDED BY THE BOARD OF DIRECTORS

PROPOSAL ONE

COMMON SHARE CONSOLIDATION

Overview

The board of directors has proposed that the shareholders resolve that RAM Holdings' issued common shares of par value US\$0.10 each, on the effective date of the consolidation, be consolidated into common shares of par value US\$1.00 each on a 1 for 10 basis (the "**Consolidation**"). You are now being asked to vote upon the Consolidation.

If Proposal 1 is approved, the board of directors will have the authority, but not the obligation, in its sole discretion and without any further action on the part of the shareholders, to effect the Consolidation, at any time it believes to be most advantageous to RAM Holdings and its shareholders. This proposal would give the board of directors the authority to implement one, but not more than one, consolidation of RAM Holdings' common shares. The board of directors will retain the authority not to effect the Consolidation even if we receive shareholder approval. Thus, subject to shareholder approval, the board of directors may, at its discretion, complete the Consolidation, or abandon it and effect no consolidation if it determines that such action is not in the best interests of RAM Holdings and its shareholders.

The board's decision as to whether and when to effect the Consolidation will be based, in part, on prevailing market conditions and existing and expected trading prices for our common shares.

If Proposal 1 is approved by the shareholders, Proposals 2 and 3 (which relate to the issuance of Bonus Shares (as defined below) in order to round up fractional shares) are also approved by the shareholders, and following such approvals the board of directors determines that effecting the Consolidation is in the best interests of RAM Holdings and the shareholders, the Consolidation will become effective when undertaken by the board of directors. Except for adjustments that may result from the treatment of fractional shares as described below, each shareholder will hold the same percentage of our outstanding common shares immediately following the Consolidation as that shareholder held immediately before the Consolidation.

Reasons for the Consolidation

The board of directors believes that the Consolidation may be desirable for a number of reasons. The board of directors expects that the Consolidation will increase the market price of our common shares and encourage longer term investment. Further, the increased market price of our common shares expected as a result of implementing the Consolidation may improve the marketability and liquidity of our common shares and engender interest and trading in our common shares. Because of the trading volatility often associated with low-priced stocks, many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers. Some of those policies and practices may function to make the processing of trades in low-priced stocks economically unattractive to brokers. Additionally, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher-priced stocks, the current average price per share of our common shares can result in individual shareholders paying transaction costs representing a higher percentage of their total share value than would be the case if the share price were substantially higher.

Certain Risks Associated With the Consolidation

While our board of directors believes that our common shares would trade at higher prices after the consummation of the Consolidation, there can be no assurance that the increase in the trading price will occur, or, if it does occur, that it will equal or exceed ten times the market price of the common shares prior to the Consolidation. The history of similar consolidation transactions for companies in like circumstances is varied, and in some cases, the total

market value of a company following a consolidation is lower, and may be substantially lower, than the total market value before the consolidation. In addition, the fewer number of shares that will be available to trade could possibly cause the trading market of the common shares to become less liquid, which could have an adverse effect on the price of the common shares. The market price of our common shares is based on our performance and other factors, some of which may be unrelated to the number of our shares outstanding.

In addition, there can be no assurance that the Consolidation will result in a per share price that will attract brokers and investors who do not trade in lower priced shares.

Effects of the Consolidation

After the effective date, if any, of the proposed Consolidation, each shareholder will own a reduced number of our common shares. However, the proposed Consolidation will affect all of our shareholders uniformly and will not reduce any shareholders' percentage ownership interest in us, except for minor adjustments that may result from any of our shareholders owning a fractional share as described below. Proportionate voting rights and other rights and preferences of the holders of our common shares will not be reduced by the proposed Consolidation (other than shareholders that receive Bonus Shares in order to round up fractional shares). For example, if the potential issuance of Bonus Shares is disregarded, then a holder of 2% of the voting power of the outstanding common shares immediately prior to the Consolidation would continue to hold 2% of the voting power of the outstanding common shares immediately after the Consolidation. The number of shareholders of record will not be affected by the Consolidation.

Although the proposed Consolidation will not reduce the rights of shareholders or any shareholder's proportionate equity interest in us (subject to the treatment of fractional shares), it will reduce the total number of common shares outstanding.

Under the terms of the RAM Holdings Ltd. 2006 Equity Plan, as amended (the "**2006 Plan**"), the number of shares authorized for issuance thereunder will, as necessary, be equitably adjusted in the sole discretion of the Compensation, Nominating and Corporate Governance Committee in order to ensure that each plan participant retains no less than the equivalent value of such adjusted shares in the event of the Consolidation in order to preserve, but not increase, the benefits or potential benefits intended to be made available under the 2006 Plan. We also have outstanding share options to purchase common shares and restricted share units that were issued under the 2006 Plan. Under the terms of those outstanding share options, in the event of the Consolidation, the Compensation, Nominating and Corporate Governance Committee will, as necessary, make such equitable adjustments, if any, as it reasonably deems appropriate in the number of shares subject to, and the exercise price of, the options. Similarly, under the terms of those outstanding restricted share units, in the event of the Consolidation, the Compensation, Nominating and Corporate Governance Committee will, as necessary, make such equitable adjustments, if any, as it reasonably deems appropriate in the number of shares subject to the restricted share units. In each case, any adjustments shall be reasonably determined by the Compensation, Nominating and Corporate Governance Committee in its sole discretion with a view to preserving the benefits or potential benefits intended to be made available to the holders of such options and restricted share units. Furthermore, we have outstanding share options to purchase common shares that were issued under the RAM Reinsurance Company Ltd. Stock Option Plan for Management Employees, as amended (the "**2001 Plan**"). The 2001 Plan provides that the number of shares subject to, and the exercise price of, the options will be adjusted by RAM Holdings' board of directors to reflect the Consolidation.

Fractional Shares

The board of directors propose to capitalize the RAM Holdings share premium account in order to issue fractions of common shares ("**Bonus Shares**") to any common shareholder who holds a fraction of a common share as a result of the Consolidation in order to round up any fractional shares to the next whole share so that only whole RAM Holdings common shares are held by all common shareholders. The issuance of such Bonus Shares is subject to additional shareholder approvals. as described in Proposals 2 and 3.

Effect on Beneficial Holders of Common Shares (i.e., shareholders who hold in “street name”)

Upon effectiveness of the Consolidation, we intend to treat shares held by shareholders in “street name” through a bank, broker or other nominee, in the same manner as registered shareholders whose shares are registered in their own names. Banks, brokers or other nominees will be instructed to effect the Consolidation for their beneficial holders holding our common shares in “street name”. However, these banks, brokers or other nominees may have different procedures than registered shareholders for processing the Consolidation and handling fractional shares. If a shareholder holds our common shares with a bank, broker or other nominee and has any questions in this regard, shareholders are encouraged to contact their bank, broker or other nominee.

Effect on Registered “Book-Entry” Holders of Common Shares (i.e., shareholders that are registered on the Transfer Agent’s books and records but do not hold share certificates)

Certain of our registered holders of common shares may hold some or all of their shares electronically in book entry form with BNY Mellon Shareowner Services (the “**Transfer Agent**”). These shareholders do not have share certificates evidencing their ownership of common shares. They are, however, provided with a statement reflecting the number of shares registered in their accounts.

If a shareholder holds registered shares in book-entry form with the Transfer Agent, no action needs to be taken to receive post-Consolidation shares or Bonus Shares in lieu of any fractional share interest, if applicable. A transaction statement will automatically be sent to the shareholder’s address of record indicating the number of common shares held following the Consolidation.

If a shareholder is entitled to Bonus Shares in lieu of any fractional share interest, such allotment will be made as described above under “Fractional Shares”.

Effect on Certificated Shares

Shareholders holding our common shares in certificate form will be sent a transmittal letter by the Transfer Agent after the effective date of the Consolidation. The letter of transmittal will contain instructions on how a shareholder should surrender his, her or its certificate(s) representing our common shares (“**Old Certificates**”) to the Transfer Agent in exchange for certificates representing the appropriate number of whole post-Consolidation common shares (“**New Certificates**”). No New Certificates will be issued to a shareholder until such shareholder has surrendered all Old Certificates, together with a properly completed and executed letter of transmittal, to the Transfer Agent. No shareholder will be required to pay a transfer or other fee to exchange his, her or its Old Certificates.

Shareholders will then receive a New Certificate(s) representing the number of whole common shares to which they are entitled as a result of the Consolidation. Until surrendered, we will deem outstanding Old Certificates held by shareholders to be cancelled and only to represent the number of whole, post-Consolidation common shares to which these shareholders are entitled.

Any Old Certificates submitted for exchange, whether because of a sale, transfer or other disposition of shares, will automatically be exchanged for New Certificates. If an Old Certificate has a restrictive legend on the back of the Old Certificate(s), the New Certificate will be issued with the same restrictive legends that are on the back of the Old Certificate(s).

Potential Anti-Takeover Effect; Possible Dilution

The number of authorized but unissued common shares effectively will be increased significantly by the Consolidation. Based on the 27,373,509 common shares issued on July 27, 2011 (the record date) and the 90,000,000 shares that are authorized under our Memorandum of Association, and assuming only one Bonus Share is issued, the Consolidation would reduce the number of issued common shares to 2,737,351, thereby having the effect of increasing the number of authorized but unissued shares from 62,626,491 to 87,262,649.

The increase in the number of unissued authorized common shares available to be issued could, under certain circumstances, have an anti-takeover effect. For example, common shares could be issued that would dilute the share ownership of a person seeking to effect a change in the composition of our board of directors or contemplating

a tender offer or other transaction for the combination of RAM Holdings with another company. The Consolidation is not being proposed in response to any effort of which we are aware to accumulate our common shares or obtain control of us, nor is it part of a plan by management to recommend a series of similar amendments to our board of directors and shareholders.

The holders of our common shares do not have preemptive rights to subscribe for additional shares that may be issued by RAM Holdings, which means that current shareholders do not have a prior right to purchase any additional shares from time to time issued by RAM Holdings. Accordingly, if our board of directors elects to issue additional shares such issuance could have a dilutive effect on the earnings per share, voting power and equity ownership of current shareholders.

Accounting Effects

Net income/loss per share and book value per share will be increased as a result of the Consolidation because there will be fewer common shares outstanding, although the Consolidation will have no effect on our aggregate earnings or book value. Appropriate adjustments will be made to the shareholders' equity account on our balance sheet to reflect the decrease in issued and outstanding shares. We do not anticipate that any other accounting consequences, including material changes to the amount of stock-based compensation expense to be recognized in any period, will arise as a result of the Consolidation.

Certain U.S. Federal Income Tax Consequences

Any discussion contained or incorporated by reference herein of U.S. federal income tax matters is not intended to be used, and cannot be used by any person, for the purpose of avoiding U.S. federal tax penalties, and was written to support the promotion or marketing of this transaction. Each shareholder should seek advice based on its particular circumstances from an independent tax advisor.

The discussion below is only a summary of certain U.S. federal income tax consequences of the Consolidation generally applicable to holders of RAM Holdings common shares and does not purport to be a complete discussion of all possible tax consequences. This summary addresses only those shareholders who hold their common shares as "capital assets" as defined in the Code. This discussion does not address all U.S. federal income tax considerations that may be relevant to particular shareholders in light of their individual circumstances or to shareholders companies, dealers in securities, and shareholders who are not United States persons within the meaning of the Code. The following summary is based upon the provisions of the Code, applicable Treasury Regulations thereunder, judicial decisions and current administrative rulings, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. Tax consequences under state, local, non-U.S., and other laws are not addressed herein. Each shareholder should consult his, her or its tax advisor as to the particular facts and circumstances that may be unique to such shareholder and also as to any estate, gift, state, local or non-U.S. tax considerations arising out of the Consolidation.

The Consolidation should qualify as a recapitalization for U.S. federal income tax purposes. As a result:

- Shareholders should not recognize any gain or loss as a result of the Consolidation.
- Shareholders should have an aggregate basis in the common shares that they receive in the Consolidation equal to the aggregate basis of the common shares that they held immediately before the Consolidation.
- Each shareholder's holding period in the common shares received in the Consolidation should include the shareholder's holding period in the common shares held immediately before the Consolidation.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE CONSOLIDATION OR THE OWNERSHIP AND DISPOSITION OF OUR COMMON SHARES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES AND UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

No Dissenters Rights

The holders of common shares will have no dissenters' rights of appraisal under Bermuda law, the Memorandum of Association or the Bye-Laws with respect to the proposed Consolidation.

THE RAM HOLDINGS' BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM HOLDINGS COMMON SHARE CONSOLIDATION PROPOSAL.

PROPOSAL TWO

RAM HOLDINGS AMENDMENTS TO BYE-LAWS

If the Consolidation contained at Proposal 1 is approved at the Annual Meeting and the board of directors of RAM Holdings determines to implement the Consolidation, the Consolidation will result in certain RAM Holdings common shareholders holding fractions of common shares (the “**Fractional Shares**”). RAM Holdings Bye-laws do allow the holding of fractional shares but such fractional shares cannot be traded through the Bermuda Securities Depository Service of the Bermuda Stock Exchange. The board of directors therefore propose to capitalize the share premium account in order to issue Bonus Shares to any RAM Holdings common shareholder who holds a fraction of a RAM Holdings common share as a result of the Consolidation in order to round up any Fractional Shares to the next whole share so that only whole RAM Holdings common shares are held by all common shareholders.

Amendment to Bye-law 15.2

RAM Holdings’ existing Bye-laws provide the board of directors with the discretion to address or resolve the issue of fractions of shares or some other difficulty arising as a result of any alteration or reduction of share capital. The board of directors propose to amend Bye-law 15.2 of RAM Holdings’ Bye-laws laws per the text of the proposed amendment included in Annex A to this proxy statement which shows the additions indicated by a double underline, in order to provide clarity on the steps that the directors may undertake in connection with this discretion. This amendment would clarify and confirm the board of directors’ ability (i) to capitalize RAM Holdings share premium, other reserve accounts or any amounts available for distribution in paying up unissued fractions of shares and allotting them as fully paid bonus shares to shareholders who hold fractional shares as a result of an alteration or reduction of share capital, and (ii) to repurchase by RAM Holdings any fractional shares arising on an alteration or reduction of share capital.

Amendment to Bye-law 20.1

RAM Holdings existing Bye-laws allow for the issuance of bonus shares but only when they are issued pro-rata to existing shareholders. Therefore, the board of directors proposes to amend Bye-law 20.1 of RAM Holdings Bye-laws per the text of the proposed amendment included in Annex A to this proxy statement which shows the additions indicated by a double underline. This amendment would allow the RAM Holdings directors to issue Bonus Shares on other than a pro rata basis to each RAM Holdings common shareholder who becomes entitled to a Fractional Share as a result of the Consolidation in order to ensure that all RAM Holdings common shareholders hold only whole RAM Holdings common shares and can trade them on the Bermuda Securities Depository Service of the Bermuda Stock Exchange.

THE RAM HOLDINGS’ BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM HOLDINGS AMENDMENTS TO BYE-LAWS.

PROPOSAL THREE

ISSUE OF BONUS SHARES TO RAM HOLDINGS COMMON SHAREHOLDERS HOLDING FRACTIONAL SHARES AS A RESULT OF THE CONSOLIDATION

If the Consolidation contained at Proposal 1 is approved at the Annual Meeting and the board of directors of RAM Holdings determines to implement the Consolidation, the board of directors proposes to issue Bonus Shares to each holder of a Fractional Share as a result of the Consolidation so that no Fractional Shares are in issue or outstanding following the Consolidation. The Bermuda Stock Exchange listing regulations to which RAM Holdings is subject, require that any issue of shares on other than on a pro rata basis by a listed company, such as RAM Holdings must be approved by the shareholders of the relevant company. Since the issuance of the Bonus Shares which will be issued to any holders of Fractional Shares will not occur on a pro rata basis, but rather based on whether a RAM Holdings common shareholder is entitled to receive a Fractional Share as a result of the Consolidation, the RAM Holdings shareholders are required to approve the issue of the Bonus Shares to holders of Fractional Shares which arise as a result of the Consolidation.

THE RAM HOLDINGS' BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ISSUANCE OF BONUS SHARES TO RAM HOLDINGS COMMON SHAREHOLDERS HOLDING FRACTIONAL SHARES AS A RESULT OF THE CONSOLIDATION.

PROPOSAL FOUR

RAM HOLDINGS CHANGE OF NAME

As discussed in our 2010 Annual Report, RAM Holdings has not written financial guaranty business since 2009 and does not intend to write new financial guaranty business in the future. RAM Holdings is currently considering writing other lines of business, specifically short-tail, non-catastrophe, property/casualty reinsurance business.

In connection with this new business focus for RAM Holdings and to reflect the departure from the financial guaranty business line, the board of directors has proposed that the shareholders resolve that the name of RAM Holdings be changed from RAM Holdings Ltd. to American Overseas Group Limited and that the board of directors of RAM Holdings be authorized, in its sole discretion, to determine whether it is in RAM Holdings' best interest to proceed with and effect the change of name. RAM Holdings' shareholders also authorize RAM Holdings' board of directors, in its sole discretion, to determine the timing of the change of name (in the event that RAM Holdings' board of directors, in its sole discretion, decides to proceed and effect the change of name), provided that if the change of name is to be effected, that it be effected no later than December 31, 2011.

There can be no assurance that the strategies that have been implemented or that will be pursued in the future will improve RAM Holdings' business, financial condition, liquidity or results of operations or will not have a material adverse effect on RAM Holdings. Any new business undertaken will be subject to approval of the board of directors and regulators.

THE RAM HOLDINGS' BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM HOLDINGS CHANGE OF NAME

PROPOSAL FIVE

ELECTION OF DIRECTORS OF RAM HOLDINGS

The board of directors has proposed that the shareholders resolve that the following five (5) nominees each be elected to serve as a director of RAM Holdings until the next annual general meeting of RAM Holdings or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) Clement S. Dwyer, Jr.; (iii) Debra J. Roberts; (iv) David K. Steel; and (v) Steven J. Tynan.

Biographical information for each such person is set forth under "Information About Directors, Corporate Governance and Director Compensation", above.

If elected, the term of each nominee will expire at our annual general meeting of shareholders in 2012. Our board of directors has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Holdings if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors may propose.

THE RAM HOLDINGS' BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES ABOVE.

PROPOSAL SIX

RAM HOLDINGS AUDITOR PROPOSAL

The board of directors has proposed that the shareholders resolve to (i) appoint Deloitte & Touche Ltd., Hamilton, Bermuda to serve as the independent auditor of RAM Holdings for the financial year ending December 31, 2011 until RAM Holdings' 2012 annual general meeting, and (ii) authorize the directors of RAM Holdings, acting by the Audit Committee, to determine the independent auditor's fee (referred to as the "**RAM Holdings Auditor Proposal**").

Deloitte & Touche Ltd., Hamilton, Bermuda served as the independent auditor of RAM Holdings for the 2010 financial year. A representative of Deloitte & Touche Ltd., Hamilton, Bermuda will attend the Annual Meeting, and will be available to respond to questions and may make a statement if he or she so desires.

THE RAM HOLDINGS' BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RAM HOLDINGS AUDITOR PROPOSAL.

PROPOSAL SEVEN

PROPOSALS CONCERNING OUR SUBSIDIARY RAM RE

Pursuant to RAM Holdings' Bye-Laws, with respect to any matter required to be submitted to a vote of the shareholders of RAM Re, RAM Holdings is required to submit a proposal relating to such matters to the shareholders of RAM Holdings and vote all the shares of RAM Re owned by RAM Holdings in accordance with and proportional to such vote of RAM Holdings' shareholders. Accordingly, the shareholders of RAM Holdings are being asked to consider these proposals.

Proposal 7.1 Change of Name of RAM Re. RAM Re has discontinued writing financial guaranty reinsurance and is currently considering writing new lines of business, specifically short-tail, non-catastrophe, property/casualty reinsurance. The board of directors has proposed that, in connection with RAM Re's new business focus and to reflect the departure from the financial guaranty business line, the shareholders approve the change of name of RAM Re from RAM Reinsurance Company Ltd. to American Overseas Reinsurance Company Limited and that the board of directors of RAM Re be authorized, in its sole discretion, to determine whether it is in RAM Re's best interest to proceed with and effect the change of name. RAM Holdings' shareholders also authorize RAM Re's board of directors, in its sole discretion, to determine the timing of the change of name (in the event that RAM Re's board of directors, in its sole discretion, decides to proceed and effect the change of name), provided that if the change of name is to be effected, that it be effected no later than December 31, 2011.

Proposal 7.2 Authorization of Election of Directors of RAM Re. The proposed directors of RAM Re are the same as the five proposed directors of RAM Holdings listed above under Proposal 5.

The board of directors has proposed that the shareholders resolve that the following five (5) nominees each be elected to serve as a director of RAM Re until the next annual general meeting of RAM Re or until their respective successors are elected or appointed: (i) Edward F. Bader; (ii) Clement S. Dwyer, Jr.; (iii) Debra J. Roberts; (iv) David K. Steel; and (v) Steven J. Tynan.

Biographical information for each such person is set forth in "Information About Directors, Corporate Governance, Bye-Laws and Director Compensation", above.

If elected, the term of each nominee will expire at RAM Re's 2012 annual general meeting. The board of directors of RAM Holdings has no reason to believe any nominee will not continue to be a candidate or will not be able to serve as a director of RAM Re if elected. In the event that any nominee is unable to serve as a director, the proxy holders named in the accompanying proxy will vote for the election of such substitute nominee(s) as the board of directors of RAM Holdings may propose.

Proposal 7.3 RAM Re Auditor. The board of directors has proposed that the shareholders authorize the appointment of Deloitte & Touche Ltd., Hamilton, Bermuda to serve as the independent auditor of RAM Re for the financial year ending December 31, 2011 until RAM Re's 2012 annual general meeting, and that the shareholders authorize the directors of RAM Re, acting by the Audit Committee, to determine the independent auditor's fees. Deloitte & Touche Ltd., Hamilton, Bermuda, served as the independent auditor of RAM Re for the 2010 financial year.

Proposal 7.4 Waiver of financial statements and auditor's report of RAM Re. The audited financial statements of RAM Holdings prepared in accordance with U.S. generally accepted accounting principles, and included in RAM Holdings' 2010 Annual Report enclosed herewith, include, on a consolidated basis, the financial statements of both RAM Holdings and RAM Re. In addition, RAM Re is required to prepare statutory financial statements and a statutory return in accordance with the Bermuda Insurance Act 1978 and its related regulations. RAM Re's statutory financial statements must be audited in accordance with Bermuda law. The statutory financial statements and statutory return for RAM Re in respect of the year ended December 31, 2010 will be presented at the annual general meeting of RAM Re. The board of directors has therefore proposed that the shareholders approve the waiver, pursuant to Section 88 of the Bermuda Companies Act 1981 (the "Companies Act"), of the presentation at the annual general meeting of RAM Re of financial statements of RAM Re prepared in accordance with generally

accepted accounting principles, which would otherwise be presented pursuant to section 84 of the Companies Act, for the year ended December 31, 2010 together with an auditor's report thereon.

THE RAM HOLDINGS' BOARD OF DIRECTORS RECOMMENDS THAT YOU AUTHORIZE RAM HOLDINGS TO VOTE "FOR" EACH OF THE PROPOSALS CONCERNING RAM HOLDINGS' SUBSIDIARY, RAM REINSURANCE COMPANY LTD.

ADDITIONAL INFORMATION

Other Action at the Meeting

A copy of our Annual Report to shareholders for the year ended December 31, 2010, including financial statements for the year ended December 31, 2010 and the auditor's report thereon, is being mailed to all shareholders with this proxy statement. The Annual Report will be presented and discussed at the Annual Meeting.

As of the date of this Proxy Statement, we have no knowledge of any business, other than described herein and customary procedural matters, which will be presented for consideration at the Annual Meeting. In the event any other business is properly presented at the Annual Meeting, it is intended that the persons named in the accompanying form of proxy will have authority to vote such proxy in accordance with their discretion on such business.

Shareholder Proposals

Shareholder proposals must be received in writing by the Secretary of RAM Holdings and must comply with the requirements of our Bye-Laws in order to be considered for inclusion in our Proxy Statement and form of Proxy relating to such meeting. We believe that shareholder proposals received by April 19, 2012 would be considered timely for inclusion in the 2012 Proxy Statement. Such proposals should be directed to the attention of the Secretary, RAM Holdings Ltd., RAM Re House, 46 Reid Street, Hamilton, HM 12, Bermuda or Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. Any such proposal must include: (i) the names and addresses of the shareholders who intend to make the proposal, (ii) a representation that such shareholders are holders of record of shares entitled to vote at such meeting and intend to appear in person or by proxy at the meeting to present the proposal, and (iii) the class and number of shares which are beneficially owned by such shareholders. Our Bye-Laws also set forth procedures to have a proposal brought before a general meeting, whether or not it is included in our proxy statement. Notice of any such proposal also must be received by us as set forth above by April 19, 2012 and must include the information specified in our Bye-Laws.

Shareholders who intend to nominate persons for election as directors at our annual general meeting of RAM Holdings must comply with the advance notice procedures and other provisions set forth in the Bye-Laws of RAM Holdings in order for such nominations to be properly brought before the meeting. In addition, the Compensation, Nominating and Corporate Governance Committee considers nominees to our board of directors recommended by shareholders. Notice of the intention to propose any person for election as a director and of his or her willingness to serve as a director must be given to RAM Holdings by June 30, 2012 for our 2012 annual general meeting. Any such notice shall also include: (a) as to the individual whom such shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of such individual, (ii) the principal occupation or employment of such individual, and (iii) the class and number of shares which are beneficially owned by such individual; and (b) as to the shareholder giving the notice: (i) the name and address, as they appear on the register of members, of such shareholder, (ii) the class and number of shares which are beneficially owned by such shareholder and (iii) the period of time such shares have been owned.

If a shareholder proposal is introduced at the 2012 annual general meeting of shareholders that is not discussed in the 2012 Proxy Statement, then proxies received by RAM Holdings for the 2012 annual general meeting of shareholders will be voted by the persons named as such proxies in their discretion with respect to such proposal.

Additionally, under Bermuda law, shareholders holding not less than five percent of the total voting rights or 100 or more shareholders together may require us to give notice to our shareholders of a proposal to be submitted

at an annual general meeting. Generally, notice of such a proposal must be received by us at our registered office in Bermuda (located at RAM Re House, 46 Reid Street, Hamilton, HM 12, Bermuda) not less than six weeks before the date of the meeting and must otherwise comply with the requirements of Bermuda Law.

We recommend that any shareholder desiring to make a nomination or submit a proposal for consideration obtain a copy of our Bye-Laws. They are available free of charge by submitting a written request to the Secretary at our principal executive offices.

Costs of Solicitation

The cost of this proxy solicitation will be borne by RAM Holdings. We may retain a third-party proxy solicitor to assist in the solicitation of proxies, although we have not entered into any such arrangements as of the date of this proxy statement. If we retain a third-party proxy solicitor, we expect to pay the firm a fee of at least \$10,000 plus expenses. In addition to solicitation by mail, officers, directors and employees of RAM Holdings may solicit proxies by telephone, facsimile or in person, although no compensation will be paid for such solicitation. RAM Holdings may also request banks and brokers to solicit their customers who have a beneficial interest in our common shares registered in the names of nominees and will reimburse such banks and brokers for their reasonable out-of-pocket expenses.

ANNEX A

Set forth below are Bye-laws 15 and 20.1 of RAM Holdings Bye-laws marked to show the changes proposed. Inserted text is shown by a double underline.

15 Power to Alter Capital

15.1 In addition to the authority of the Board to create, issue and redeem classes, sub-classes and series of shares as described in these Bye-laws, the Company may increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by and in accordance with the Act and the Board is so authorized to so alter or reduce the Company's share capital by and in accordance with the Act.

15.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit; including (but without limiting the generality of the foregoing):

a) by the capitalisation of any sum standing to the credit of any of the Company's share premium account, other reserve accounts or any amounts available for distribution by applying such sums in paying up unissued fractions of shares to be allotted as fully paid bonus shares to shareholders who would hold fractions of shares as a result of such alteration or reduction of share capital in order to consolidate such fractions into whole shares; and/or

b) by the repurchase by the Company of any fractions of shares resulting from such alteration or reduction of share capital

provided that in the determination of the Board any such action does not result in, after taking into account the adjustments or eliminations of voting power contained in Bye-laws 38 and 39.1; any non-~~de minimis~~ adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or Indirect holder of shares or its Affiliates

20. Capitalisation

20.1 The Board may resolve to capitalize any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class or on any other basis as approved by a resolution of the Members) to the Members.

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