

**RAM REINSURANCE COMPANY LTD.
(a Bermuda company)**

**RAM Re House
46 Reid Street
Hamilton HM 12
Bermuda**

**NOTICE OF SPECIAL GENERAL MEETING OF HOLDERS OF CLASS B
PREFERENCE SHARES**

To Be Held on February 14, 2011

Dear Holders of Class B Preference Shares:

We invite you to our Special General Meeting of holders of Class B Preference Shares, \$1,000 par value and \$100,000 liquidation preference per share (the "Class B Preference Shares"), of RAM Reinsurance Company Ltd. ("RAM Re"), which we refer to as the "Class B Special Meeting". We will hold the Class B Special Meeting at Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda, on February 14, 2011 at 11:00 a.m. Atlantic time 10:00 a.m., Eastern time.

The purpose of the Class B Special Meeting is:

1. To elect two additional Directors as Directors of RAM Re pursuant to Bye-Law 39.5 of RAM Re's Bye-Laws (the "Election").
2. To consider any adjournment or postponement of the Class B Special Meeting, including proposals to adjourn the Class B Special Meeting.

Enclosed is a Proxy Statement (the "Proxy Statement"), which explains the matters to be acted upon at the Class B Special Meeting.

You may vote at the Class B Special Meeting with respect to the Election in person or by proxy if you were a shareholder of record of Class B Preference Shares, as shown by the register of members of RAM Re, at 5p.m., New York City time, on December 15, 2010.

By order of the board of directors,



David K. Steel
*Director, President and Chief Executive
Officer*

January 25, 2011
Hamilton, Bermuda

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

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE CLASS B SPECIAL MEETING

The following are some questions regarding the Election and the Class B Special Meeting that you may have as a holder of the Class B Preference Shares and the answers to those questions.

What is the date, time and location of the Class B Special Meeting?

We will hold the Class B Special Meeting at Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda on February 14, 2011 at 11:00 a.m. Atlantic time/10:00 a.m. Eastern time.

What are the proposals to be voted on at the Class B Special Meeting?

At the Class B Special Meeting, the holders of Class B Preference Shares may elect two additional Directors to the Board of Directors of RAM Re in accordance with Bye-Law 39.5 of RAM Re's Bye-Laws. See "Class B Special Meeting Proposals – Proposal One".

In addition, holders of the Class B Preference Shares are being asked to consider and vote upon any adjournment or postponement of the Class B Special Meeting.

Why is the Election being held?

Pursuant to Bye-Law 39.5 of RAM Re's Bye-Laws and Section 6(c) of the Certificate of Designation, Preferences and Rights of the Class B Preference Shares, which sets forth the terms of the Class B Preference Shares (the "Class B Certificate of Designation"), upon a failure by RAM Re to pay dividends in full on the Class B Preference Shares for a period in excess of eighteen consecutive months, the number of members of the Board of Directors of RAM Re is automatically increased by two 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. Following RAM Re's payment of the June 15, 2009 dividend on the Class B Preference Shares, RAM Re suspended subsequent dividends on the Class B Preference Shares. Therefore, as of December 15, 2010 (the last day of the eighteen consecutive month period during which RAM Re has failed to pay dividends on the Class B Preference Shares), the holders of the Class B Preference Shares, voting as a single class, are entitled to fill the vacancies created on the Board of Directors of RAM Re by electing two additional Directors to the Board of Directors of RAM Re (the "Class B Directors"). Pursuant to RAM Re's Bye-Laws and the Class B Certificate of Designation, the meeting to elect the Class B Directors must be held no more than sixty days after December 15, 2010.

Who are the Director nominees that may be elected at the Class B Special Meeting and who are the current members of RAM Re's Board of Directors?

Certain holders of the Class B Preference Shares have proposed that the holders of the Class B Preference Shares resolve that the following nominees be elected to serve as a Director of RAM Re until their respective successors are elected or appointed: (i) David Geiss; (ii) Steve Gralla; (iii) Richard Marz; and (iv) Tom Sedlock. Only two of such nominees may be elected as Class B Directors at the Class B Special Meeting. Biographical information for each such person is set forth under "Information About Director Nominees", below.

The current members of RAM Re's Board of Directors are: (i) Edward F. Bader; (ii) David L. Boyle; (iii) Clement S. Dwyer, Jr.; (iv) David K. Steel; and (v) Steven J. Tynan. The current members of RAM Re's Board of Directors will continue to serve as Directors of RAM Re following the Class B Special Meeting.

Who will be elected since more than two nominees have been proposed by certain holders of the Class B Preference Shares?

The holders of the Class B Preference Shares are entitled to elect two Directors only. Therefore, the holders of the Class B Preference Shares will be entitled to vote for two Directors and those Directors who receive the most votes will be duly elected.

What happens in the event a Director nominee withdraws at or prior to the Class B Special Meeting?

The Class B Special Meeting will be held and those remaining nominees receiving the most votes will be duly elected. However in the event that the number of nominees remaining following any such withdrawals is fewer than two, the Class B Special Meeting may be adjourned to enable the holders of the Class B Preference Shares to nominate another candidate or candidates for election.

Under what circumstances may the Class B Special Meeting be adjourned, postponed or cancelled?

The Class B Special Meeting may be adjourned automatically for lack of quorum. The Class B Special Meeting may also be adjourned in order to handle any non de minimis adverse tax, regulatory or legal consequence that may arise with respect to the Election. The Class B Special Meeting may otherwise be adjourned or postponed at the discretion of the Chairman of the meeting in accordance with the Bye-Laws or cancelled in accordance with the Bye-Laws.

Who can vote at the Class B Special Meeting?

The record date for the Class B Special Meeting is December 15, 2010. If you owned Class B Preference Shares at 5:00p.m., New York City time, on December 15, 2010, you may vote at the Class B Special Meeting with respect to the Election. As of the record date, 432.01 Class B Preference Shares were issued and outstanding. Class B Preference Shares are the only class of equity securities issued and outstanding and entitled to vote at the Class B Special Meeting.

How many votes do I have?

You have one vote for each Class B Preference Share owned at the record date.

What are the quorum and vote requirements for the Class B Special Meeting?

The presence of two or more persons, representing in person or by proxy, shares carrying more than 50% of the voting power of the issued and outstanding Class B Preference Shares as of December 15, 2010, the record date for the Class B Special Meeting, is necessary to constitute a quorum at the Class B Special Meeting. Assuming that a quorum is present at the Class B Special Meeting, the affirmative vote of the holders of a simple majority of Class B Preference Shares voted at the Class B Special Meeting in person or by proxy will be required to approve the Election.

How do I vote?

If you are a registered shareholder, meaning that your name and shareholdings are registered in the register of members of RAM Re, you may exercise your vote by completing, signing and delivering the enclosed proxy (the "proxy") to Bank of New York Mellon, the Shareholder Services Agent, so that it is received at least 24 hours before the Class B Special Meeting, or in person at the Class B Special Meeting.

When you exercise your vote by using the proxy, you are instructing another person to vote your Class B Preference Shares for you at the Class B Special Meeting in the manner that you indicate. These persons, called proxies, are David Steel, and the Shareholder Services Agent. If you have not provided voting instructions in the proxy, your Class B Preference Shares will be reflected as votes ABSTAINED in respect of the Election and as votes FOR any proposal for adjournment or postponement of the Class B Special Meeting and in accordance with the proxy holder's discretion as to any other business as may properly come before the Class B Special Meeting.

If, like many shareholders, you are a beneficial shareholder and hold your Class B Preference Shares in "street name," meaning that you hold your Class B Preference Shares through a bank, broker or other institution, you must instruct that institution how to vote your Class B Preference Shares. The institution will usually provide you with an appropriate voting instruction form when it sends you this Proxy Statement.

Can I vote in person?

If you are a registered shareholder, you may vote your Class B Preference Shares in person.

If you choose to vote your Class B Preference Shares in person at the Class B Special Meeting, please bring the proxy and proof of identification.

Please note that RAM Re's Bye-laws do not allow any shareholder or any shareholder's proxy to participate in a general meeting of RAM Re whilst physically present in the United States.

How do I revoke my proxy or change my vote?

If you are a registered shareholder and used the 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 at least 24 hours before the Class B Special Meeting to Bank of New York Mellon;
- (2) By attending the Class B Special Meeting and voting in person; or
- (3) By delivering a written notice of revocation of your proxy at least 24 hours before the Class B Special Meeting to Bank of New York Mellon.

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

What would happen if I abstain from voting or do not vote?

If you are a registered shareholder and indicate ABSTAINED on the proxy with respect to the Election, or if you ABSTAIN from voting in person, your vote will not count as a vote cast, but the abstention will be represented at the Class B Special Meeting and will count toward establishing a quorum.

If you are a registered shareholder and you do not vote, your Class B Preference Shares will not be represented at the Class B Special Meeting and will not affect the outcome of the Election. If you are a registered shareholder and return a blank but signed proxy, your Class B Preference Shares will be counted as votes ABSTAINED with respect to the Election and FOR any adjournment or postponement of the Class B Special Meeting.

What are the effects of broker non-votes?

Proxies relating to "street name" Class B Preference Shares that are returned to us but marked by brokers as "not voted" will be treated as Class B Preference Shares present for purposes of determining the presence of a quorum on all matters, but will not be treated as Class B Preference Shares entitled to vote on the matter as to which authority to vote is withheld from the broker. If you do not give the broker voting instructions, under applicable self-regulatory organization rules, your broker may not vote your Class B Preference Shares on "non-routine" proposals, such as the Election.

Are there any additional considerations if I am a U.S. holder of the Class B Preference Shares?

Please refer to the "Notice to U.S. Holders of Class B Preference Shares" section of this Proxy Statement for further information in relation to U.S. holders of the Class B Preference Shares.

Whom do I call if I have any questions on how to vote my Class B Preference Shares or any other questions relating to this Proxy Statement?

Questions related to the Election and requests for assistance, as well as for additional copies of this Proxy Statement and the proxy, may be directed to the Shareholder Services Agent

using its contact information set forth on the back cover of this Proxy Statement or by telephone toll-free at 1-800-605-4748.

INFORMATION ABOUT DIRECTOR NOMINEES

Director Nominee Biographies

Set forth below is biographical information provided by each Director nominee, who may be elected at the Class B Special Meeting, including each such individual's principal occupation. Only two of such nominees may be elected as Class B Directors at the Class B Special Meeting.

David W Geiss
Age 43

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.

Steve Gralla
Age 59

Mr Gralla is the Chief Financial Officer of Twenty-Nine Palms Band of Mission Indians, a federally recognized tribe located in Southern California. As Chief Financial Officer, Mr Gralla oversees the Tribe's business interests.

Previously he held various positions, including Senior Vice President, in the banking industry in areas such as compliance, commercial and construction lending and loan quality and production over a 30 year period. Mr Gralla was also part of a management team of a successful manufacturing company which was sold to a Fortune 500 company when sales doubled.

Mr Gralla holds Gaming Licenses issued by the National Indian Gaming Association and the California State Gambling Control Commission.

Mr Gralla received his B.S. and MBA from Monmouth University (West Long Branch, New Jersey).

W Richard Marz
Age 67

Mr Marz is President of MMW Group, a technology consulting group that focuses on working with early to mid-stage companies with special emphasis on product definition, sales organisation development, marketing and channel strategies.

Previously he held various Executive Vice President positions at LSI Logic Corporation between 1995 and 2006 and prior to this he was Vice President of Sales and Marketing at Advanced Micro Devices. He received a B.S. degree in Industrial Management from Gannon University and completed the Stanford University Executive Program in High Technology Marketing and the Maynard Institute Program in Methods-Time- Measurement.

Mr Marz is also a director of Perceptron, Inc. and has been the Chairman of the Board of Perceptron, Inc. since January 2008. In addition, Mr Marz is a director of Lattice Semiconductor Corporation and NextIO, Inc.

Tom Sedlock
Age 51

Mr Sedlock is General Manager of Spotlight 29 Casino in Palm Springs. He began his employment with Spotlight 29 Casino in 1995 as Director of Slot Operations and was promoted to his current position as General Manager in 2010.

Before joining Spotlight 29 Casino, Mr Sedlock was an Executive Host at the Aladdin Hotel & Casino in Las Vegas.

Mr Sedlock holds Gaming Licenses issued by the National Indian Gaming Association and the California State Gambling Control Commission.

Mr Sedlock received his B.S. in Business Administration Selling and Sales Management from Bowling Green State University, Ohio.

NOTICE TO U.S. HOLDERS OF CLASS B PREFERENCE SHARES

Holders of Class B Preference Shares who are U.S. Persons (as defined below) or who are directly or indirectly owned by or bear certain other relationships to any U.S. Person should be aware that, as of December 15, 2010, the Class B Preference Shares are considered voting stock for U.S. federal income tax purposes. As a result, any U.S. Person who holds, directly or indirectly through the application of certain constructive ownership rules, shares of RAM Re (including Class B Preference Shares) representing 10 percent or more of the total voting power of all classes of RAM Re shares outstanding is treated as a "United States Shareholder" of RAM Re for U.S. federal income tax purposes. If United States Shareholders of RAM Re hold in the aggregate, directly or indirectly through the application of certain constructive ownership rules (including constructively through ownership of shares of RAM Holdings Ltd.), shares of RAM Re representing more than 25 percent of the total combined voting power or more than 25 percent of the total value of all RAM Re shares outstanding, then RAM Re may be treated as a controlled foreign corporation for U.S. federal income tax purposes. If RAM Re is treated as a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, each United States Shareholder of RAM Re who owns shares of RAM Re, directly or indirectly through the application of certain constructive ownership rules, on the last day that RAM Re is treated as a controlled foreign corporation will be required to include in its gross income for U.S. federal income tax purposes such shareholder's proportionate share of certain items of income of RAM Re, regardless of whether RAM Re makes any distributions to such shareholder. In addition, if RAM Re is treated as a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, each United States Shareholder of RAM Re may be required to satisfy certain information reporting requirements.

RAM Re does not believe that it is currently treated as a controlled foreign corporation for U.S. federal income tax purposes, based on the information that RAM Re currently has available and assuming that there are no relationships or other arrangements that would cause any person to be attributed RAM Re shares from more than one direct holder of Class B Preference Shares. However, this determination is based on limited information and could be affected by the application of complex constructive ownership rules. Moreover, the facts on which this determination is based could change at any time. As a result, there can be no assurance that RAM Re is not, or will not in the future be treated as, a controlled foreign corporation. Holders of Class B Preference Shares who are or who are related to U.S. Persons should consult with their tax advisor regarding the U.S. federal income tax consequences of holding and disposing of Class B Preference Shares.

In order to help confirm that RAM Re is not currently treated as a controlled foreign corporation for U.S. federal income tax purposes, RAM Re is requesting that each registered and beneficial holder of Class B Preference Shares who delivers a proxy provide certain information about itself and its share ownership (see "Request for Certain Information" in the enclosed form of proxy). RAM Re will keep any confidential information that is provided by such holders confidential.

For the purposes of the above discussion, a U.S. Person generally includes (i) a citizen or resident of the United States; (ii) a partnership or corporation (including an entity treated as a partnership or corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of a political subdivision thereof (including the District of Columbia); (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if (1) a U.S. court is able to exercise primary supervision over the

administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

For purposes of determining if a U.S. Person is a United States Shareholder, the following constructive ownership rules generally apply:

1. Shares owned, directly or indirectly, by a corporation, partnership, trust or estate that is not a U.S. Person are treated as being owned proportionately by its shareholders, partners or beneficiaries. Such shareholders, partners or beneficiaries shall be treated as actually owning the shares that they are treated as owning under this rule for the purposes of the application of this rule (1) and the following rules.
2. An individual shall generally be considered to own the shares owned, directly or indirectly, by his or her spouse, children, grandchildren and parents, except that this rule shall not apply to cause any shares held by a U.S. nonresident alien individual to be treated as owned by a U.S. citizen or resident.
3. Shares owned, directly or indirectly, by a partnership or estate are treated as owned proportionately by its partners or beneficiaries. Shares owned, directly or indirectly, by a trust are generally treated as owned by the beneficiaries of the trust in proportion to their actuarial interest in the trust, or, if any person is treated as owning any portion of the trust for U.S. federal income tax purposes, by such person to the extent of such person's deemed ownership of the trust. Shares owned, directly or indirectly, by a corporation are treated as owned proportionately by any person who owns, directly or indirectly, 10% or more of the stock of the corporation by value. For the purpose of this rule (3), if a partnership, estate, trust or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of a corporation's stock, such entity shall be treated as owning all of the voting stock of the corporation.
4. Shares owned, directly or indirectly, by a partner or a beneficiary of an estate are treated as owned by the partnership or estate. Shares owned, directly or indirectly, by a beneficiary of a trust are treated as owned by the trust unless the beneficiary holds a remote contingent interest in the trust. Shares owned, directly or indirectly, by a person who is treated as owning any portion of a trust for U.S. federal income tax purposes are treated as owned by such trust. Shares owned by a person who owns, directly or indirectly, 50% or more of the stock of a corporation by value is treated as owned by such corporation. This rule (4) does not apply to cause any U.S. Person to be treated as owning shares that are owned by a person who is not a U.S. Person.
5. Any person who has an option to acquire shares is treated as owning such shares.
6. A person treated as owning shares under rules (2) through (5) above is treated as actually owning such shares for purposes of the application of such rules, except that (i) a person treated as owning shares under (2) is not treated as owning such shares for purposes of the further application of (2); and (ii) shares treated as owned by a person under (4) is not treated as owned by such person for purposes of applying (3) to such person. Rules (2) through (5) apply to S corporations as if they were partnerships. Rules (2) through (5) generally apply to the extent that the effect is to treat any U.S. Person as a United States Shareholder.

The constructive ownership rules described above are complex, and the application of the constructive ownership rules may depend on the specific circumstances. Holders of Class B Preference Shares should consult with their tax advisor regarding the operation of these constructive ownership rules if they may be, or if their ownership of Class B Preference Shares could cause any other person to be, a United States Shareholder.

The above discussion was written to support the promotion or marketing of the Election or matters addressed herein. It was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

CLASS B SPECIAL MEETING PROPOSALS

PROPOSAL ONE

ELECTION OF TWO CLASS B DIRECTORS

Pursuant to Bye-Law 39.5 of RAM Re's Bye-Laws and Section 6(c) of the Class B Certificate of Designation, upon a failure by RAM Re to pay dividends in full on the Class B Preference Shares for a period in excess of eighteen consecutive months, the number of members of the Board of Directors of RAM Re is automatically increased by two 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. Following RAM Re's payment of the June 15, 2009 dividend on the Class B Preference Shares, RAM Re suspended subsequent dividends on the Class B Preference Shares. Therefore, as of December 15, 2010 (the last day of the eighteen consecutive month period during which RAM Re has failed to pay dividends on the Class B Preference Shares), the holders of the Class B Preference Shares, voting as a single class, are entitled to fill the vacancies created on the Board of Directors of RAM Re by electing two additional Directors to the Board of Directors of RAM Re (the "Class B Directors"). Pursuant to RAM Re's Bye-Laws and the Class B Certificate of Designation, the meeting to elect the Class B Directors must be held no more than sixty days after December 15, 2010.

Certain holders of the Class B Preference Shares have proposed that the holders of the Class B Preference Shares resolve that the following nominees be elected to serve as a Director of RAM Re until their respective successors are elected or appointed: (i) David Geiss; (ii) Steve Gralla; (iii) Richard Marz; and (iv) Tom Sedlock. Only two of such nominees may be elected as Class B Directors at the Class B Special Meeting. Biographical information for each such person is set forth under "Information About Director Nominees", above.

PROPOSAL TWO

ADJOURNMENT PROPOSAL

The holders of Class B Preference Shares may consider and vote upon any adjournment or postponement of the Class B Special Meeting.

The Shareholder Services Agent is:

Bank of New York Mellon
BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900

800-605-4748

TDD for hearing Impaired: 800-231-5469

Foreign Shareowners: 201-680-6578

TDD Foreign Shareowners: 201-680-6610

Web Site address: www.bnymellon.com/shareowner/isd



January 28, 2011

To: All RAM Reinsurance Company Ltd. Class B Preference Share Owners

Ladies and Gentlemen:

As discussed in the Proxy Statement contained in this mailing, we are hereby requesting that you provide the following information for the period from December 15, 2010 through the date you complete the enclosed proxy card, and note any changes that occurred during such period.

Request for Certain Information

- 1. Please provide the number of RAM Reinsurance Company Ltd. ("RAM Re") Class B Preference Shares that you own: _____
- 2. Please provide the number of RAM Holdings Ltd. ("RAM Holdings") common shares that you own: _____
- 3. Are you a U.S. Person? (See "Notice to U.S. Holders of Class B Preference Shares" in the accompanying Proxy Statement) Yes No
- 4. To your knowledge, are you treated as constructively holding any RAM Re Class B Preference Shares or RAM Holdings common shares held by any other person for U.S. federal income tax purposes? (See "Notice to U.S. Holders of Class B Preference Shares" in the accompanying Proxy Statement) Yes No

If yes, please provide an explanation:

- 5. To your knowledge, is any U.S. Person treated for U.S. federal income tax purposes as constructively holding RAM Re Class B Preference Shares or RAM Holdings common shares held by you? (See "Notice to U.S. Holders of Class B Preference Shares" in the accompanying Proxy Statement) Yes No

If yes, please provide an explanation, and please indicate whether, to your knowledge, such U.S. Person directly or constructively holds any other RAM Re Class B Preference Shares or RAM Holdings common shares:

RAM Re agrees to keep and shall cause its directors, officers and agents to keep confidential all non-public, confidential information supplied by you in response to this Request for Certain Information.

Please return this letter with your proxy card in the enclosed envelope. Thank you for your assistance.

Yours sincerely,

David K Steel
President and Chief Executive Officer

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