



Newsletter Highlights:

- Torrent Passes NFIP Testing
- Series A Financing to Fund Torrent Expansion

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Torrent Passes NFIP Testing

Torrent Technologies, Inc. has passed the final phase of software testing with the NFIP Bureau and Statistical Agent.

“With our flagship product, TorrentFlood®, receiving final approval from the NFIP, Torrent is officially open for business and ready to serve the flood insurance market,” said Travis Pine, Torrent’s CEO.

The NFIP testing process is a requirement for any new entrant to the Flood Vendor market which serves approximately 100 private insurance companies that sell flood insurance through the NFIP’s Write Your Own Program.

Over 90% of insurance carriers that participate in the NFIP outsource their flood insurance processing to a Flood Vendor. However, in recent years the Flood Vendor market has undergone significant consolidation, leaving insurance companies with limited options when selecting a Flood Vendor.

While a number have tried, according to the NFIP, no company has passed even the first phase of NFIP testing in the last eight years, until Torrent. With the 2006 storm season underway, the conclusion of Torrent’s testing is well timed.

“TorrentFlood® utilizes contemporary technology to solve a common problem experienced by insurance companies and their agents -- flood insurance policies are currently too difficult to originate and administer while remaining in compliance with FEMA regulations. Significant claims volume amplifies these problems and can delay claims payments, making the TorrentFlood® solution all the more beneficial to insurance companies and ultimately the policyholders,” Pine said.

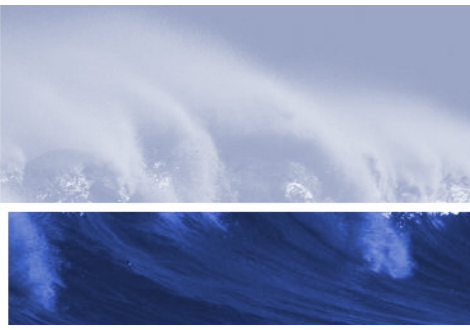
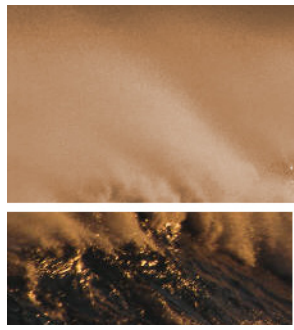
Series A Financing to Fund Torrent Expansion

Torrent Technologies, Inc. has closed a \$3.3 million Series A preferred equity financing. The capital will be used to fund the rollout of TorrentFlood® to the marketplace and ramp the company’s operations center in Kalispell, Montana.

The Series A Round was led by Seattle-based investor and attorney Rich Padden. Mr. Padden will also be joining Travis Pine, Theresa “TJ” Johnston and James Wagar on Torrent’s Board of Directors.

“Torrent’s recent NFIP approval is a tremendous accomplishment and is a testament to the team Travis has assembled. I am excited about this opportunity and am proud to be associated with such highly skilled and motivated individuals. Their integrity and passion for excellence is what attracted me to Torrent,” Padden said.

Torrent will utilize the proceeds of the Series A financing to scale its operations center in Kalispell. Under the guidance of Torrent’s President and COO, Theresa “TJ” Johnston, Torrent has completed the build out of its operations center, secured staffing to support its initial insurance clients and finalized the development of the first version of TorrentFlood®.



Two Former Safeco Insurance Executives Join Torrent

Torrent Technologies is pleased to announce that Jeff Roe has joined its executive management team as Chief Marketing Officer. Mr. Roe is the former President of Distribution for Safeco Insurance and will oversee Torrent's client acquisition and relationship management efforts.

While at Safeco, Mr. Roe developed Safeco's distribution strategy and management program, and directed sales, marketing and research. Prior to Safeco he worked for nine years at Washington-based Premera Blue Cross where he served most recently as President and CEO of LifeWise Health Plan of Washington (a Premera subsidiary), and Vice President and General Manager of Premera. In these roles, he was accountable for operating income, membership, strategy and sales for the consumer, commercial group and association lines of business representing \$2 billion in revenues.

"I joined Torrent for the same reason I expect the company to appeal to carriers in the flood program. That is, to work with industry leaders committed to and capable of transforming the experience of carriers, agents and policyholders in the flood insurance arena," said Roe.

Additionally, Torrent has added Yom Senegor to its Board of Advisors. Mr. Senegor is the former Chief Information Officer of Safeco Insurance and was previously a partner of Accenture (formerly Andersen Consulting) in its insurance practice. Mr. Senegor brings decades of technology expertise to Torrent and adds tremendous depth to Torrent's strategic planning abilities and industry relationships.

Mr. Senegor held the position of CIO at Safeco Insurance for five years and was instrumental in introducing and improving technology at Safeco that allowed it to recover from losses of nearly a billion dollars in 2001 to earnings of nearly \$700 million in 2005. Prior to his tenure at Safeco, Mr. Senegor held a number of senior positions at Accenture, most recently as one of the three managing partners of the firm's North American insurance practice where he helped many of the nation's largest insurance companies develop state-of-the-art technology solutions including automated underwriting, sales and service systems, and new product-development capabilities.

"With deep flood processing experience on its team, Torrent has already built a strong foundation. My role is to further leverage technology to enhance that base, enabling unparalleled service and efficiency for Write Your Own companies," said Senegor.

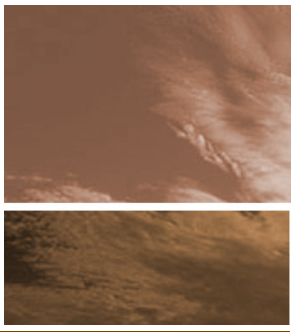
"All of us at Torrent are both excited and honored to add Jeff and Yom to our team," said Travis Pine, Torrent's CEO. "Their accomplishments speak for themselves and these industry veterans have great enthusiasm for continuing to build upon Torrent's successes. Their domain expertise and credibility will be key elements of Torrent's ability to execute on its opportunity and achieve our long-term vision," Pine continued.

House Bill Calls for Commission to Study Federal Disaster Plans

Under a bill introduced in the U.S. House of Representatives Congress would appoint a 17-member bipartisan commission to make recommendations on how to ensure adequate private insurance coverage is available in light of the increasing occurrences of natural disasters.

The commission would study the insurance market's exposure to natural disasters and if a comprehensive national disaster plan would help to alleviate consumer costs associated with disaster losses and to ensure that they have access to private insurance coverage at fair and competitive prices.

The bill, the Catastrophic Disaster Risk and Insurance Commission Act, is being sponsored by Representative



Debbie Wasserman Schultz (D-FL) and mirrors similar legislation sponsored by Bill Nelson in the U.S. Senate and also a resolution passed by the National Association of Insurance Commissioners requesting that Congress create a similar commission.

The commission would examine all legislative proposals currently pending before Congress that address any catastrophic insurance issues. It also would be tasked to analyze the effectiveness of states in stabilizing the property/casualty markets, and devise strategies to encourage private-sector participation in any federal catastrophe program while minimizing taxpayers' exposure.

According to Wasserman Schultz, the commission would include the following members:

- One Republican and one Democratic former member of Congress
- A representative from each of a consumer group, a primary property/casualty insurer, a reinsurer and a national real estate firm
- A home builder with experience in structural engineering
- A risk-management expert from a university and another from a major think tank
- A commercial mortgage lender
- An independent insurance agent
- An antitrust attorney
- Representatives from the U.S. Treasury Department, FEMA and NOAA
- A scientist with expertise in natural disasters

The commission would be formed within 30 days of the bill's passage.

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