

AFFIRMATIVE INSURANCE HOLDINGS, INC.
CHARTER OF THE
EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS

Purpose

The Executive Committee (the “Committee”) of the Board of Directors (the “Board”) of Affirmative Insurance Holdings, Inc. (the “Company”) is appointed by the Board to (a) support the efficient functioning of the Board by taking actions on behalf of the Board between regular meetings of the Board as the Committee deems appropriate or advisable; (b) assist the Board in making decisions quickly and effectively by discharging the Board’s responsibilities relating to matters including, but not limited to, the adoption of certain transactions and the settlement of certain disputes, as may be delegated by the Board from time to time; and (c) perform such other functions as the Board may from time to time assign to the Committee.

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Committee Membership

The Committee shall consist of no fewer than three directors. The Committee shall be appointed annually by the Board and shall report to the Board. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies. The Committee shall designate one of its members to be the Chairman of the Committee.

Committee Meetings

The Committee shall meet as often as necessary to carry out its responsibilities and may act by written consent. Any actions taken by the Committee shall be reported to the Board of Directors at the next succeeding regular meeting of the Board of Directors, or as soon thereafter as practicable. Any Committee member may request the Chairman of the Committee to call a meeting. The Committee may ask member of management or other whose advice and counsel are relevant to the issues then being considered by the Committee, to attend any meetings and to provide such pertinent information as the Committee may request.

Committee Authority and Responsibilities

In carrying out its oversight responsibilities, the Committee’s policies and procedures should remain flexible to enable the Committee to react to changes in circumstances and conditions so as to ensure the Company remains in compliance with applicable legal and regulatory requirements. The Committee shall have the following responsibilities:

1. The Committee shall have the authority to exercise all powers of the Board in the management of the business and affairs of Company. However, the Executive Committee shall not have the power or authority to:
 - (a) Declare a dividend or other distribution involving Company stock;
 - (b) Approve or propose to shareholders actions that the Delaware Business Corporation Act (the "Act") requires to be approved by shareholders;
 - (c) Fill vacancies on the Board of Directors or any of its committees;

Charter of the Executive Committee (cont.)

- (d) Amend the Company's Articles of Incorporation except as authorized by the Act;
- (e) Adopt, amend or repeal the Company's Bylaws;
- (f) Approve a plan of merger not requiring shareholder approval;
- (g) Authorize or approve re-acquisition of shares, except within limits prescribed by the Board; or
- (h) Authorize or approve the issuance or sale of Company shares, other than as permitted by applicable stock incentive plans or the Board, or determine the designation, relative rights, preferences and limitations of a class or series of shares, except when authorized by the Board to do so pursuant to the Act.

2. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

3. The Committee shall perform any other responsibilities delegated to the Committee by the Board from time to time.

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