



FOX PAINE COMPLETES ACQUISITION OF UNITED NATIONAL GROUP OF INSURANCE COMPANIES

San Francisco, CA and Bala Cynwyd, PA, September 10, 2003 -- Fox Paine & Company, LLC, the San Francisco-based private equity firm, announced today that on September 5, 2003, it successfully completed the United National Group transaction. United National is a provider of excess and surplus lines and specialty admitted property and casualty insurance.

In the transaction, investment funds managed by Fox Paine acquired 80% of United National. The former owners of United National retained a 20% minority interest.

As part of the transaction, Fox Paine made a capital contribution in excess of \$120 million to United National and to a newly formed offshore affiliate to enable United National to further expand operations.

About United National:

United National has its principal offices in Bala Cynwyd, PA. Collectively the United National insurance companies are either licensed in or authorized to write surplus lines or specialty admitted business in all states. United National is the 11th largest excess and surplus lines group according to A. M. Best. The United National group of insurance companies is rated "A" (Excellent) by A. M. Best.

About Fox Paine:

Fox Paine & Company, LLC manages investment funds in excess of \$1.5 billion, providing equity capital for corporate acquisitions, company expansion and growth programs and management buyouts. The Fox Paine funds are managed on behalf of over 50 leading international financial institutions, including major governmental and corporate pension systems, Fortune 100 companies, major life and property and casualty insurance and reinsurance companies, money center and super regional commercial banks, investment banking firms, and university endowments. Fox Paine was founded in 1997 by Saul A. Fox, a former general partner of Kohlberg Kravis Roberts & Co., and W. Dexter Paine, III, a former general partner of Kohlberg & Co.

Safe Harbor Statement

Certain statements contained in this press release are forward-looking in nature. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or comparable terminology, or by discussions of strategy. The Company's business and operations are subject to a variety of risks, and uncertainties and other factors. Consequently, actual results may materially differ from those projected stated by any forward-looking statements. Such risks, uncertainties and other factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) future capital expenditures by insurance competitors, (2) the need for increased Company investment to support product and new services introductions, (3) the Company's ability to raise additional capital when and if needed, (4) market acceptance of the Company's products and services. The Company makes no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statement is made.

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