



UNITED NATIONAL GROUP, LTD. PRICES INITIAL PUBLIC OFFERING AT \$17.00 PER SHARE

San Francisco, CA and George Town, Grand Cayman, Cayman Islands, December 16, 2003 – Fox Paine & Company, LLC, the San Francisco-based private equity firm, announced today that United National Group, Ltd. priced its initial public offering of 9.75 million Class A common shares at \$17.00 per share. The shares will be quoted on the Nasdaq National Market under the symbol “UNGL.” United National Group has granted the underwriters an option to purchase up to an additional 1,462,500 shares to cover over-allotments, if any.

United National Group plans to use the net proceeds from the offering to redeem all of its outstanding preferred shares held by Fox Paine & Company and others, which was used to finance the acquisition of the Company’s United States operations, acquired on September 5, 2003, as well as for general corporate purposes, including to capitalize its non-U.S. operations.

Merrill Lynch & Co. acted as sole book-running manager for the offering with Banc of America Securities LLC, Dowling & Partners Securities, LLC, Fox-Pitt, Kelton, and Keefe, Bruyette & Woods, Inc. acting as co-managing underwriters.

A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This offering is made solely by means of a prospectus which may be obtained from Merrill Lynch & Co., 4 World Financial Center, New York, NY 10080.

About United National Group:

United National Group, Ltd., headquartered in George Town, Grand Cayman, Cayman Islands, through its United States affiliates is a leading specialty property and casualty insurance carrier, licensed or authorized to provide coverage in all 50 states, Bermuda, and Barbados. The member insurance companies of United National Group are rated “A” (Excellent) by A. M. Best. More information about United National can be found at <http://www.unitednat.com/> and <http://www.ungl.ky/>.

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. More information about Fox Paine can be found at <http://www.foxpaine.com/>.

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 "believe," "expect," "may," "will," "should," "project," "plan," "seek," "intend," or "anticipate" 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 contained in 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) ineffectiveness of the Company's business strategy due to changes in current or future market conditions, (2) the effects of competitors' pricing policies, and of changes in laws and regulations on competition, including industry and development of competing financial products, (3) greater frequency or severity of claims and loss activity than the Company's underwriting, reserving or investment practices have anticipated, (4) decreased level of demand for the Company's insurance products or increased competition due to an increase in capacity of property and casualty insurers. 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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