



FOR IMMEDIATE RELEASE

Elephant Insurance announces lengthy and substantial reinsurance contracts with Munich Re and Hannover Re.

Richmond, Virginia (January 18, 2010)

Elephant Insurance ("Elephant") announces it has signed reinsurance contracts with Munich Re and Hannover Re. Elephant Insurance is the US subsidiary of Admiral Group, Plc ("Admiral"), the third largest auto insurer in the UK. This partnership arrangement builds further on the successful risk and profit sharing model that which has been at the heart of Admiral's success in its established UK business.

Munich Re and Hannover Re have both entered into quota share reinsurance contracts with Elephant on January 1, 2010. Munich Re and Hannover Re will each take one third of the USA risks and Elephant will retain one third for its own account. Both agreements are intended to be long term. The Hannover Re contract is for up to 10 years while the Munich Re agreement is for up to 15 years. Both agreements include break clauses at earlier dates. Further details are contractually confidential.

Commenting on these developments, Admiral Chief Executive, Henry Engelhardt, said: "This is a very good day for Admiral Group. These deals will help us perpetuate our model that minimizes risk and consistently produces a high return on capital. We believe it is in our shareholders best interest to reduce our risk, particularly in the early development stage of a business, in return for sacrificing some of the profit down the road. This helps us to couple good growth with solid dividends.

"We are pleased and proud to have Munich Re and Hannover Re as partners. These agreements are an indication of the potential Elephant offers in the US market. We aim to deliver a strong return to both these partners by operating a cost effective business that delivers optimal value to our customers," said Elephant Insurance President and CEO, Andrew Rose.

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