



CANOPIUS

PRESS RELEASE

1 July 2010

CANOPIUS GROUP ACQUIRES KGM MOTOR BUSINESS

Canopus Group Limited (“Canopus”), a leading specialist insurance underwriting business, today announces that it has acquired the business of KGM Underwriting Agencies Limited (“KGM”), which manages Syndicate 260, one of two Lloyd’s syndicates dedicated to writing motor business, together with approximately 60% of Syndicate 260’s capacity.

Syndicate 260, which will write approximately £50 million of premiums for the 2010 year of account, will continue to trade under the KGM name and remain as a separate syndicate, supported by Canopus and Names, operating alongside Canopus’s existing Syndicate 4444.

Michael Watson, Chairman of Canopus, said, “KGM has a long established franchise and a core book of specialist business. Its motor business complements and diversifies our existing underwriting portfolio and builds our specialist capabilities. I welcome Colin Hart, Chief Executive and the KGM team to Canopus.

Canopus already has a significant involvement in UK retail insurance through its substantial UK household business and through majority ownership of Arista, which provides property, liability and motor insurance for the UK SME sector. KGM is an excellent fit with our existing businesses and our development plans.”

Colin Hart, Chief Executive of KGM, said, "The KGM team is delighted to be joining forces with Canopus. As part of a larger underwriting-focused Group we will be better placed to ensure the continuity and quality of service our business partners value. KGM and Canopus will provide each other with development opportunities, which is excellent news for our respective business partners. This is the start of a very exciting new chapter in the illustrious history of Syndicate 260. "

- Ends -

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Notes to Editors:

1. Canopus Group Limited is a privately-owned international insurance and reinsurance group with operations in the UK, Bermuda, Singapore, Dublin and Australia. Canopus is owned by management and Bregal Capital LLP, a private equity company.
2. Incorporated in Guernsey, Canopus Group Limited is the parent of Canopus Managing Agents Limited (CMA), the tenth largest managing agent at Lloyd's. CMA manages Syndicate 4444 on behalf of the Group and third parties. Syndicate 4444's gross premiums written for 2010 are projected to be c. £650 million.
3. Syndicate 4444 focuses on the following classes of insurance and reinsurance:
 - UK Homeowners and Miscellaneous Property Facilities
 - UK Commercial Combined Business for the SME sector
 - Global Direct and Facultative Property Risks
 - Crisis Management, including Product Contamination & Recall, Sabotage & Terrorism and Kidnap & Ransom.
 - North American Facilities
 - Marine, Energy and Engineering
 - Casualty, including Professional Indemnity, Financial Institutions, General Liability, Accident & Health and Excess Casualty
 - Treaty Reinsurance including Property, Engineering, Casualty and Marine