



United America Indemnity, LTD.

Walker House • 87 Mary Street • P.O. Box 908GT • George Town • Grand Cayman • Cayman Islands • www.ungl.ky

PRESS RELEASE

[Corrected]

UNITED AMERICA INDEMNITY, LTD. ANNOUNCES APPOINTMENT OF EDWARD J. NOONAN AS ACTING CEO

George Town, Grand Cayman, Cayman Islands, February 8, 2005 – United America Indemnity, Ltd. (Nasdaq: **UNGL**) today announced that its Board of Directors appointed fellow Board Member and former Audit Committee Chairman Edward J. Noonan as acting Chief Executive Officer.

Mr. Noonan is the former President and CEO of American Re Corporation, one of the most significant reinsurance companies in the world, having been associated with that company for over 18 years. Mr. Noonan also served on the Boards of the Reinsurance Association of America, the Insurance Information Institute and the American Institute of Chartered Property and Casualty Underwriters. Mr. Noonan's appointment as CEO of United America Indemnity follows David Bradley's departure from the Company. Pursuant to its established governance guidelines, United America Indemnity's Board of Directors will constitute a Search Committee of the Board to identify a limited number of other qualified CEO candidates prior to the Board's formal selection and appointment of the permanent CEO.

"I am extraordinarily pleased that Ed Noonan accepted our invitation to become CEO of United America Indemnity," said Saul Fox, Chairman of United America Indemnity. "I have known, observed, and worked shoulder to shoulder with Ed Noonan for almost 14 years, beginning with our mutual immersion in the American Reinsurance management buyout in 1992, still considered one of the most formative insurance transactions."

"Ed Noonan stands out among the leaders of the insurance industry for his exemplary integrity and candor, raw intellect, financial and investment acumen, extensive and diverse operational knowledge, experience, and savvy, and perhaps as significant as all of the foregoing, his unique ability to build and lead winning teams of talented executives." Continued Mr. Fox, "Now on top of all that, what I appreciate most about Ed Noonan is that he knows how to make and keep money."

Mr. Fox is also Chief Executive of San Francisco-based Fox Paine & Company, LLC, whose affiliated private equity funds acquired a controlling interest in United America's predecessor company, United National Group, Ltd., in September 2003 and is the largest shareholder in United America Indemnity. Added Mr. Fox, "We look forward to working with Ed Noonan to further enhance the Company's prodigious growth and performance since the Company reformulated its long term strategy as of the date of our September 2003 investment. For example, the Company's \$559 million of GAAP book value as of September 30, 2004, pro forma, is in excess of 200% of where it was at December 2002, the fiscal year end preceding Fox Paine's investment. Also, the Company's net written premiums for the 12 months ending September 30, 2004, pro forma, are 273% of net written premiums for fiscal 2002. Moreover, the Company moved its operating income from a loss in 2002 to a gain of approximately \$50 million on a pro forma basis for the 12 months ending September 30, 2004."

"I'm delighted -- and honored -- to have been appointed CEO," said Mr. Noonan. "Through the recent merger of United National, Penn America, and Penn Independent, United America Indemnity is on track to accomplish great things. I am looking forward to working with United America Indemnity's many talented agents, managers, and employees to continue to build a market leading company. As a result of the acquisition we have four separate businesses with strong balance sheets, each poised for strong growth and superior profitability."

Mr. Noonan, age 46, served as President, Chief Executive Officer and a Director of American Re Corporation and Chairman, President and Chief Executive Officer of American Re-Insurance from March 1997 until March 2002. Mr. Noonan previously served as Executive Vice President for both companies from February to March 1997. In addition to serving as Director since 1992, Mr. Noonan previously held several senior executive positions with American Re-Insurance, including: President, Domestic Insurance Company Operations; Senior Vice President; Senior Vice President, Treaty Division; and member of the Company's Board of Management. Prior to joining American Re-Insurance, Mr. Noonan worked at Swiss Reinsurance from 1979 to 1983. Mr. Noonan also served as Chairman of Inter-Ocean Reinsurance Holdings of Hamilton, Bermuda from 1997 to 2002. Mr. Noonan received a B.S. in Finance from St. John's University in 1979 and is also a director of the St. Mary Medical Center Foundation, based in Langhorne, Pennsylvania.

On January 25, 2005, United America Indemnity, Ltd. announced that it completed its previously announced merger with Penn-America Group, Inc. and completed its previously announced acquisition of Penn Independent Corporation. As a result of the transactions, United America Indemnity is one of the leading specialty property and casualty insurers in the industry as well as a significant originator of and placement agent for specialty property and casualty insurance coverage.

February 17, 2005 Earnings Release Conference Call

As previously noted, United America Indemnity will hold a teleconference on February 17, 2005 at 8:30 a.m. Eastern Time to discuss its fourth quarter and full year December 31, 2004 results. United America Indemnity will release its earnings after the close of business on February 16, 2005 and prior to the teleconference.

To participate in the teleconference, please telephone 800-901-5241 (U.S. and Canada) or 617-786-2963 (International) and enter 24274044 when prompted for a password. The teleconference will be available for replay until February 28, 2005. To listen to the replay, please telephone 888-286-8010 (U.S. and Canada) or 617-801-6888 (International) and enter 60777364 when prompted for a password.

This teleconference is also being webcast by CCBN and can be accessed at the company's website at www.ungl.ky. Please access the site at least 15 minutes prior to the teleconference to register, download and install any necessary software.

About United America Indemnity, Ltd.:

United America Indemnity, through its wholly-owned operating subsidiaries which include United National Group, Penn-American Group, Inc. and Penn Independent Corporation, is one of the leading specialty property and casualty insurers in the industry as well as a significant originator of and placement agent for specialty property and casualty insurance coverage. United America Indemnity is a holding company formed under the laws of the Cayman Islands and its U.S. insurance subsidiaries are either licensed or authorized to write surplus lines or specialty admitted business in all states. With an operating history of more than one century, United America Indemnity's underwriting network includes approximately 150 professional general agents and its focus centers on self-generated proprietary products, niche programs and brokered lines. Its non-U.S. operations consist of recently formed Barbados-based and Bermuda-based insurance companies.

About Fox Paine:

Fox Paine & Company, LLC manages investment funds in excess of \$1.5 billion that provide equity capital for management buyouts, going private transactions, and company expansion and growth programs. Fox Paine engages exclusively in friendly transactions developed in cooperation with a company's management, board of directors, and shareholders. The Fox Paine funds are managed on behalf of over 50 leading United States and international financial institutions, including public pension systems, Fortune 100 corporate pension plans, major life and property & casualty insurance companies, money center and super regional commercial banks, investment banking firms, and university endowments.

Safe Harbor statement:

This release contains forward-looking information about United America Indemnity and the operations of United America Indemnity that is intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements

that are not historical facts. 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, and include discussions of strategy, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives, expectations or consequences of the transactions, and statements about the future performance, operations, products and services of the companies.

The business and operations of United America Indemnity is and will be subject to a variety of risks, uncertainties and other factors. Consequently, actual results and experience may materially differ from those contained in any forward-looking statements. Such risks, uncertainties and other factors that could cause actual results and experience to differ from those projected include, but are not limited to, the following: (1) the ineffectiveness of United America Indemnity'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 consolidation and development of competing financial products; (3) greater frequency or severity of claims and loss activity than United America Indemnity's underwriting, reserving or investment practices have anticipated; (4) decreased level of demand for United America Indemnity's insurance products or increased competition due to an increase in capacity of property and casualty insurers; (5) risks inherent in establishing loss and loss adjustment expense reserves; (6) uncertainties relating to the financial ratings of United America Indemnity's insurance subsidiaries; (7) uncertainties arising from the cyclical nature of United America Indemnity's business; (8) changes in United America Indemnity's relationships with, and the capacity of, its general agents; (9) the risk that United America Indemnity's reinsurers may not be able to fulfill obligations; and (10) uncertainties relating to governmental and regulatory policies. The foregoing review of important factors should be read in conjunction with the other cautionary statements that are included in United America Indemnity's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, as well as in the materials filed and to be filed with the U.S. Securities and Exchange Commission (SEC). United America Indemnity does not make any commitment to revise or update any forward-looking statements in order to reflect events or circumstances occurring or existing after the date any forward-looking statement is made.

Contact:

Richard S. March

United America Indemnity, Ltd.

Phone: 610-660-6816