



NEWS

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Summary: Penn-America Group, Inc. (NYSE:PNG) declares a quarterly dividend

HATBORO, PA (May 16, 2002) – Penn-America Group, Inc. (NYSE:PNG) declared a quarterly cash dividend of \$0.03875 per common share. The quarterly dividend is payable June 12, 2002, to shareholders of record at close of business as of May 29, 2002. The decision was made at a meeting of the company's board of directors yesterday.

Penn-America Group, Inc. (NYSE:PNG) is a specialty commercial property and casualty insurance holding company. The company's "thinking small" strategy – underwriting for small entrepreneurial businesses in small "Main Street" towns through a small network of wholesale general agents – has delivered substantial long-term growth in the original E-business: serving entrepreneurs.

Forward-Looking Information

Certain information included in this news release and other statements or materials published or to be published by the company are not historical facts but are forward-looking statements including but not limited to, such matters as anticipated financial performance, business prospects, technological developments, new and existing products, expectations for market segment and growth, and similar matters. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the company provides the following cautionary remarks regarding important factors which, among others, could cause the company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the company's forward-looking statements. The risks and uncertainties that may affect the operations, performance, development, results of the company's business, and the other matters referred to above include, but are not limited to: (1) changes in the business environment in which the company operates, including inflation and interest rates; (2) changes in taxes, governmental laws and regulations; (3) competitive product and pricing activity; and (4) difficulties of managing growth profitably. For additional disclosure regarding potential risk factors, please refer to the Company's 2001 10-K.

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