



## NEWS

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

HATBORO, PA (November 12, 2002) – Penn-America Group, Inc. (NYSE:PNG) declared a quarterly cash dividend of \$0.03875 per common share. The quarterly dividend is payable December 11, 2002, to shareholders of record at the close of business as of November 27, 2002. The decision was made at a meeting of the company's board of directors today.

Penn-America Group, Inc. (NYSE:PNG) is a specialty commercial property and casualty insurance holding company. The company's "thinking small" strategy is to market and underwrite general liability, commercial property and multi-peril insurance for small entrepreneurial businesses in small towns and rural areas through a small network of wholesale general agents.

### 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, results of the company's business, and the other matters referred to above include, but are not limited to: (1) risks inherent in establishing loss and loss adjustment expense reserves; (2) uncertainties relating to the financial ratings of the company's insurance subsidiaries; (3) uncertainties relating to government and regulatory policies; (4) uncertainties arising from the cyclical nature of the company's business; (5) changes in the company's relationships with, and the capacity of, its general agents; and (6) the risk that the company's reinsurers may not be able to fulfill their obligations to the company. For additional disclosure regarding potential risk factors, refer to documents filed by the company with the Securities and Exchange Commission, including the company's 2001 10-K/A.*