



NEWS

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Summary: Penn-America Group, Inc. (NYSE:PNG) says that it expects no liability as a result of the September 11 disasters in New York, Washington and Pennsylvania

HATBORO PA (September 20, 2001) – Penn-America Group, Inc. (NYSE: PNG) announced today that, based on an analysis of its risk exposure, the September 11 tragedies in New York, Washington and Pennsylvania will result in no known property or casualty losses to policyholders of Penn-America Insurance Company or Penn-Star Insurance Company, its two insurance subsidiaries. Penn-America’s reinsurance program is also not exposed to this event.

Jon S. Saltzman, president and CEO added, “We insure small, entrepreneurial businesses in small cities and towns and, as a result, we are unaffected by large commercial losses such as those involved in these heart-breaking tragedies. We recognize that the reinsurance industry may be exposed whenever a disaster of this magnitude occurs. That is why we chose to work with two of the largest and most financially secure reinsurance companies, American Re, a unit of Munich Re and Gen Re, part of the Berkshire Hathaway Group, as our reinsurance partners.”

Saltzman added, “Our first concern continues to be saving the lives of those still missing and comforting the families, friends and business acquaintances of those injured or lost in last week’s tragedy. All of us at Penn-America express our deepest sympathies to the people who have been directly affected by these senseless acts of terrorism.”

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

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 2000 10-K.

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