

UNITED NATIONAL GROUP, LTD. ANNOUNCES THE APPOINTMENT OF SETH D. FREUDBERG AS NEW HEAD OF OFFSHORE OPERATIONS WILLIAM F. SCHMIDT TO BECOME PRESIDENT OF US OPERATIONS

George Town, Grand Cayman, Cayman Islands, May 4, 2004- United National Group, Ltd. (“United National”) (NASDAQ: “UNGL”) announced today that Seth D. Freudberg will become President and CEO of its Bermuda and Barbados-based offshore operations, including Wind River Insurance Company (Bermuda), Ltd. and Wind River Insurance Company (Barbados) Ltd. Mr. Freudberg previously served as President and CEO of United National’s US Operations. United National is making this appointment in order for the Company to pursue attractive underwriting opportunities in the region and in response to Mr. Freudberg’s personal interest in leading the efforts.

David Bradley, Chief Executive Officer of United National, said “We are very excited about Seth’s vision and personal initiative in undertaking this important project, which will center on writing business consistent with our current US underwriting approach: property, casualty and professional lines of coverage in the lower-end middle market. Under his proven leadership in the US, United National grew its book value at 16% per year on average for the last twenty-one years.”

Commenting on his new appointment, Mr. Freudberg said, “I am invigorated by the prospect of creating, growing and sustaining United National’s offshore operations just as we have done in our US operations since the company was founded 44 years ago.”

William Schmidt, formerly Chief Underwriting Officer of US Operations, has been appointed President and CEO of US Operations.

Mr. Bradley noted Mr. Schmidt’s success in implementing best practices with regard to United National’s underwriting processes and controls. “Bill Schmidt has been instrumental in orchestrating United National’s consistently strong and improving loss ratios for several years. These achievements have inspired the Board’s confidence in his ability to embrace his expanded role as leader of the US operations,” concluded Mr. Bradley.

Saul Fox, Chairman of United National and Chief Executive of Fox Paine & Company, LLC, said: “Given the tremendous growth of United National’s US Operations attributable to Seth Freudberg’s leadership, we are delighted that Seth has taken the reins of our international efforts. In a similar vein, with Bill Schmidt’s successes as head of underwriting for US Operations, we are quite confident that Bill is up to the task of assuming the helm of our US Operations as its President.” Fox Paine & Company’s investment funds acquired a controlling interest in United National in September 2003, brought the company public in December 2003, and remain United National’s largest shareholder.

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About United National Group, Ltd.:

United National Group, headquartered in George Town, Grand Cayman, Cayman Islands, through its US affiliates is a leading specialty property and casualty insurance carrier, licensed or authorized to provide coverage in all 50 states, and its non-US operating companies are licensed in Bermuda and Barbados. The member insurance companies of United National Group are rated "A" (Excellent) by A.M. Best.

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: Certain statements contained in this press release are forward-looking in nature. 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, or by discussions of strategy. United National Group, Ltd.'s business and operations are subject to a variety of risks, and uncertainties and other factors. Consequently, actual results may materially differ from those contained in any forward-looking statements. Such risks, uncertainties and other factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) ineffectiveness of United National Group, Ltd.'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 National Group, Ltd.'s underwriting, reserving or investment practices have anticipated, (4) decreased level of demand for United National Group, Ltd.'s insurance products or increased competition due to an increase in capacity of property and casualty insurers. United National Group, Ltd. makes no 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.

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