



PRESS RELEASE

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UAI ESTABLISHES SEPARATE WHOLESALE BROKERAGE DIVISION AND APPOINTS DAVID J. MYERS AS ITS PRESIDENT

George Town, Grand Cayman, Cayman Islands, November 26, 2007 – United America Indemnity, Ltd. (NASDAQ: INDM) (UAI) today announced the establishment of the “Diamond State Group”, a newly formed division of its U.S. insurance operations devoted exclusively to developing its property, casualty and professional lines products through wholesale brokers. The Company also announced the appointment of David J. Myers to the position of President of this Group effective November 26, 2007. Mr. Myers will report directly to Larry A. Frakes, President and Chief Executive Officer of UAI and its wholly owned subsidiary, United America Indemnity Group, Inc.

“With the creation of Diamond State Group, UAI is now positioned to develop and expand its U.S. insurance operations through 3 separate and distinct distribution channels: Penn-America Group, which will distribute commercial property and casualty insurance products to small commercial businesses through a select network of general agents with specific binding authority, United National Group, which will distribute its commercial program and professional lines products through program administrators with specific binding authority, and Diamond State Group, which will distribute its commercial property, casualty and professional lines products through wholesale brokers,” said Mr. Frakes. “Each division will be unique and independently operated, allowing for increased focus and direction.”

“I am delighted that David Myers will be joining UAI to lead Diamond State Group,” said Mr. Frakes. “Having worked with David Myers both at Everest National and before that at CIGNA Corporation, I can think of no one better than David, who has over thirty years of experience in the insurance industry, to oversee the building and expansion of our existing wholesale brokerage operation.”

“I am honored that Mr. Frakes and the Board of Directors of UAI have chosen me for the Presidency of

Diamond State Group and am dedicated to making this brokerage operation among the elite in the industry," said Mr. Myers. "Having worked with Mr. Frakes for many years, I have every confidence that we can build upon and profitably develop the existing brokerage business."

Prior to joining UAI, Mr. Myers served for 5 years as Senior Vice President at Everest National Insurance Company, managing a diverse book of property and casualty business with annual premium income in excess of \$450 million. Prior to Everest National, Mr. Myers was employed for 27 years with CIGNA Corporation, starting as a premium auditor and ultimately serving as Vice President, Custom Accounts, Commercial Insurance Services, in which position he developed and managed accounts of \$250,000 and greater.

About United America Indemnity, Ltd.

United America Indemnity, Ltd. (Nasdaq: INDM), through its several direct and indirect wholly owned subsidiary insurance and reinsurance companies, is a national and international provider of excess and surplus lines and specialty property and casualty insurance and reinsurance, both on an admitted and non- admitted basis. The Company's four principal divisions include:

- Penn-America Group, which distributes its property and casualty products to small commercial businesses through a select network of general agents with specific binding authority.
- United National Group, which distributes its program and professional lines products through program administrators with specific binding authority.
- Diamond State Group, which distributes its property, casualty and professional lines products through wholesale brokers.
- Wind River Reinsurance Company, Ltd., a Bermuda based treaty and facultative reinsurer of excess and surplus lines and specialty property and casualty insurance.

For more information, visit the United America Indemnity, Ltd. Website at www.uai.ky.

Forward-Looking Information

This release contains forward-looking information about United America Indemnity, Ltd. and the operations of United America Indemnity, Ltd. 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, Ltd. 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, 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 America Indemnity, Ltd.'s underwriting, reserving or investment practices have anticipated; (4) decreased level of demand for United America Indemnity, Ltd.'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, Ltd.'s insurance subsidiaries; (7) uncertainties arising from the cyclical nature of United America Indemnity, Ltd.'s business; (8) changes in United America Indemnity, Ltd.'s relationships with, and the capacity of, its general agents; (9) the risk that United America Indemnity, Ltd.'s reinsurers may not be able to fulfill obligations; (10) investment performance and credit risk; and (11) 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, Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as well as in the materials filed and to be filed with the U.S. Securities and Exchange Commission (SEC). United America Indemnity, Ltd. 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.

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