



PRESS RELEASE

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UNITED AMERICA INDEMNITY APPOINTS SCOTT REYNOLDS AS PRESIDENT OF UNITED NATIONAL GROUP AND ANNOUNCES THE ESTABLISHMENT OF A NORTH CAROLINA OFFICE FOR ITS U.S. OPERATIONS

George Town, Grand Cayman, Cayman Islands, July 17, 2008 – United America Indemnity, Ltd. (NASDAQ: INDM) (UAI) today announced the appointment of Scott Reynolds as President of United National Group, one of UAI's three U.S. divisions. The appointment is effective July 28, 2008. Mr. Reynolds will report directly to Larry A. Frakes, President and Chief Executive Officer of UAI and its wholly owned subsidiary, United America Indemnity Group, Inc.

"Scott's extensive experience within the wholesale distribution community and specifically in the program arena coupled with his actuarial acumen will be a tremendous asset as we continue to enhance our products and expand our program administrator relationships within the United National Group," said Mr. Frakes. "With the addition of Scott to UAI's management team, we now have dedicated and talented Presidents for each of our operating divisions. While UAI's United States divisions are separate and distinct, in total their operations offer wholesale producers a broad array of excess & surplus lines and specialty admitted products that can be underwritten on either a binding authority, brokerage or program basis."

"I am privileged that Mr. Frakes and the UAI Board of Directors has selected me as President of United National Group and look forward to further developing its program business," said Mr. Reynolds. "I am excited by the opportunity to lead this division and to work closely with UAI's other business leaders, specifically Scott McDowell, President of Penn-America Group, and David Myers, President of Diamond State Group. With the three divisions working together to profitably develop business, UAI is well positioned within the dynamic insurance industry to meet the changing needs of the wholesale marketplace and to increase value to the UAI shareholders."

Mr. Reynolds has over 20 years of industry experience and most recently served as President of the Specialty Underwriting Division of AmWINS Group, Inc., where he oversaw AmWINS' program business. From 2002 through 2006, Mr. Reynolds served as Chief Actuary of AmWINS. Prior to his time at AmWINS, Mr. Reynolds was a Manager at Royal & Sun Alliance responsible for all commercial lines pricing, filings and statistical reporting. Mr. Reynolds began his career in 1987 at Royal & Sun Alliance within its actuarial department and later served as Division Actuary of Liberty Mutual's Business Markets Division. Mr. Reynolds received his Bachelor's of Science in Statistics from Appalachian State University and is an Associate of the Casualty Actuarial Society.

UAI also announced today that the principal offices of the United National Group will be located in Charlotte, North Carolina where Scott Reynolds, its new President, will also be based. "With the addition of this new location, UAI's U.S. businesses now have facilitates in six states (North Carolina, Pennsylvania, California, Arizona, Michigan and Illinois)," said Mr. Frakes. "The geographic dispersion of our physical locations allows us to better distribute our products and services to all 50 states and further enhances our ability to attract talented insurance professionals to join our dynamic organization."

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 nonadmitted 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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