



250 Main Street * Buffalo, New York 14202 * 1-800-462-1077 * www.merchantsgroup.com

For Immediate Release

Contact: Tara Potzler (716) 849-3004

Merchants Mutual Insurance Company Announces Board Chair Succession

BUFFALO, NY, May 22, 2008 -- Merchants Mutual Insurance Company has named Edward G. Wright, CPCU, AU, Chair of its Board of Directors. He succeeds Bryant H. Prentice, III, who will remain a director of the company.

Mr. Wright, President and Chief Executive Officer of W.J. Cox Associates, Inc. (an insurance and risk management firm serving the forest products industry) since 1995, has been on Merchants Mutual's Board since 2006, and has served on its Compensation Committee.

Mr. Wright's 38-year insurance career includes experience in the claims and marketing areas, as well as serving as Chair and President of the Exchange Insurance Company, Buffalo, New York.

"The depth and breadth of Ed's experience in the property and casualty insurance industry will serve Merchants well as it pursues a recently developed strategic plan," Mr. Prentice said. "Consistent with our practice of periodically rotating Board leadership, Ed was elected unanimously by the Board as the right person for the Company at this stage in its development." Mr. Prentice, the Chairman of Bryant & Stratton College, Inc. since 1983, has been a member of Merchants Mutual's board since 1995. He served as Board

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Chair since 2003 and at various times as Chair of the Corporate Governance Committee and the Audit Committee.

With Mr. Prentice as Chair, Merchants Mutual has generated favorable operating results, raised additional capital to expand its business, and almost doubled its surplus to \$130 million.

Mr. Prentice was instrumental in the formation of the Kaleida Health System, where previously he served as a Director and Chairman. He has also worked with the Universal Development Corporation, is a Trustee with the Association of Proprietary Colleges, and is involved in a number of business and civic pursuits.

Merchants Insurance Group offers personal and commercial insurance through a network of more than 625 independent insurance agents throughout the Northeast and North Central United States. With corporate headquarters and regional operations located in Buffalo, N.Y., Merchants operates offices in Hauppauge, N.Y.; Albany, N.Y.; Moorestown, N.J.; Manchester, N.H., and Columbus, OH. Merchants' website may be accessed at www.merchantsgroup.com.