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*For Immediate Release*

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## Merchants Insurance Group Introduces New Excess and Surplus Lines Company

**BUFFALO, NY, February 12, 2009** – Merchants National Insurance Company, a wholly-owned subsidiary of Merchants Insurance Group, began accepting new business on February 1, 2009.

Merchants National, the new excess and surplus lines insurance company, is the latest company to join the Merchants Insurance Group family. The new company targets franchised hotels and motels, and writes the business in conjunction with Southern Hospitality Underwriters, a Georgia-based independent full-service wholesale brokerage agency that specializes in business insurance for the hotel industry.

As of February 1, Merchants National received approval to write business in Alabama, Georgia, Louisiana, Michigan, Mississippi, North Carolina, Ohio, Pennsylvania, Texas and Vermont.

“It’s a very exciting time for the company,” said Phyllis Drozdak, Merchants National Program manager, who added that Merchants National will expand into other states in the coming months.

Headquartered in Buffalo, N.Y., Merchants National was given an “A- (excellent)” rating with a stable outlook from the A.M. Best Company.

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*Photo caption:* Lynn Upton, standing, and Nancy Gresham, both of Southern Hospitality Underwriters, work on new business for Merchants National Insurance Company.