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For Immediate Release

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Merchants Insurance Group Introduces Equipment Breakdown Coverage for Homeowners

BUFFALO, NY, February 20, 2008 -- Merchants Insurance Group is now offering homeowners a new coverage to protect against the breakdown of equipment used to provide air conditioning, heating, hot water and other basic services in the home, the company announced today.

Home Advantage Coverage is designed to help pay for repairs or replacement of equipment that is damaged by accidental breakdowns in today's equipment-intensive households. This equipment coverage is offered as an option for Merchants' homeowner policies. Most homeowner policies do not include this specialized protection against equipment breakdowns.

"With the trend toward larger homes and more types of equipment, homeowners face greater financial losses from breakdowns than ever before," said Paul Saccomando, Director of Personal Lines. "Families depend on equipment for comfort and convenience. It represents a significant part of a home's value. Our breakdown coverage helps protect that investment so a homeowner isn't surprised by a large repair bill."

Unlike warranties and typical service contracts, which provide only limited coverage for a specific piece of equipment, Merchants Insurance Group's Home Advantage equipment breakdown insurance can cover a wide range of basic equipment, including central air conditioning; ventilation systems and fans; boilers and water heaters;

(more)

furnaces, heat pumps, heaters, solar heaters; deep well pumps; back-up generators; chair lifts and elevators; electrical power panels; pool equipment; and central vacuum systems.

Merchants Insurance Group is offering equipment coverage for homeowners through The Hartford Steam Boiler Inspection and Insurance Company (HSB), one of the world's leading providers of equipment breakdown coverage for business, industry and institutions.

Merchants Insurance Group offers personal and commercial insurance through a network of more than 600 independent insurance agents throughout the Northeast and Midwest. With corporate headquarters and regional operations located in Buffalo, N.Y., Merchants also operates offices in Hauppauge, N.Y.; Albany, N.Y.; Moorestown, N.J.; Manchester, N.H., and Dublin, OH. Merchants' website can be accessed at www.merchantsgroup.com.