



Narragansett Bay
Insurance

PRESS RELEASE

Narragansett Bay Insurance Company Announces Completion of \$200 Million Funding Agreement

Investment Is One of the Largest in the Rhode Island Insurance Industry

PAWTUCKET, RHODE ISLAND – JANUARY 8, 2008

Narragansett Bay Insurance Company and affiliates (“NBIC”) announced today the completion of a funding agreement totaling \$200 million from three private equity investors: Pine Brook Capital Partners LP, Soros Strategic Partners LP, and RenaissanceRe Holdings Ltd. The equity will be used to grow the company’s homeowners business along the Eastern seaboard, insuring both coastal and inland properties and offering new options to homeowners in these large but challenged markets.

The transaction is subject to the approval of the Rhode Island Department of Business Regulation.

Headquartered in Pawtucket, Rhode Island, NBIC offers specialty insurance products and services to homeowners through a network of independent insurance agents in Rhode Island, Massachusetts, and New York. The company emerged from the 158-year-old Pawtucket Mutual Insurance Co., which was originally acquired by NBIC’s parent company, Blackstone Financial Group, Inc., in December 2005. NBIC is led by a new management team that includes Stewart H. ‘Nick’ Steffey, Jr., chairman and chief executive officer, Geoffrey E. Hunt, executive vice president, Albert J. Pereira, president and chief underwriting officer, Patrick S. Wilmerding, vice president - strategic planning, and Sean F. Murphy, senior vice president and chief financial officer.

Mr. Steffey has over 35 years of insurance experience. He served as founding president and chief executive officer of Liberty International Holdings Inc., a \$4.5 billion business which is a subsidiary of the Liberty Mutual Group. Mr. Hunt has over 20 years of financial and insurance experience, including managing Liberty Mutual Group subsidiaries, which controlled a \$2.5 billion business, selling personal and small commercial property and casualty insurance products through independent insurance agents. Mr. Pereira has over 25 years of insurance company management experience and was formerly president of Summit Insurance Company, a leading underwriter for insurance agents in Rhode Island.

“When we took over the business we found a strong operational core that we could build on. We have refocused the company, providing a solution for homeowners who have experienced disruption in the marketplace and who are looking for superior products and service,” said Nick Steffey. “This investment will enable us to enter new markets and provide coverage for even more homeowners.”

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NBIC's experienced team of underwriting professionals utilizes sophisticated catastrophe modeling, innovative service, and cutting edge technology to provide coverage for homeowners.

"We're focused on tailoring coverage to individual needs, regardless of where our insureds are located," said Geoff Hunt, adding, "NBIC is offering consistent coverage in catastrophe prone areas where some competitors have exited."

"We're here to cover loss, but we're also here to prevent loss. Our focus is on risk management and loss prevention, and we will strive to become an industry leader in these important areas," explained Al Pereira.

ABOUT PINE BROOK ROAD PARTNERS LLC

Pine Brook Road Partners LLC ("Pine Brook") is a New York-based private equity firm established in 2006 by a team of experienced private equity professionals to make business building and growth capital investments, primarily in the energy and financial services sectors, where the firm's partners have more than 100 years of experience. Pine Brook typically backs experienced management teams in building businesses that have the potential for significant long-term capital appreciation. For more information, please visit the company's web site at www.pinebrookpartners.com.

ABOUT SOROS STRATEGIC PARTNERS LP

Soros Strategic Partners LP ("SSP") is a private investment vehicle intended for long-term duration investments primarily for the benefit of Mr. George Soros and members of the Soros family. SSP focuses on capital-intensive start-ups, buyouts, and growth equity transactions, and seeks to acquire world class assets that can generate strong and growing cash flows.

ABOUT RENAISSANCE RE HOLDINGS LTD.

RenaissanceRe Holdings Ltd. ("RenRe"), through its operating subsidiaries, is a global provider of reinsurance and insurance to cover the risk of natural and man-made catastrophes. Based in Bermuda, RenRe is one of the world's largest and most successful catastrophe reinsurers. Principally through its Ventures Unit, RenRe also creates and manages joint ventures, customized reinsurance products, and pursues select strategic investments.

Skadden, Arps, Slate, Meagher & Flom LLP acted as outside legal advisor to Blackstone Financial Group, Inc. and Dewey & LeBoeuf LLP acted as legal advisor to the investor group in this transaction.

For more information, visit our website at www.nbic.com or contact Suzanne Gilbar at 401.495.0748 or by email at SGilbar@nbic.com.