



PRESS RELEASE

Rights

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United America Indemnity, Ltd. Reports Closing of \$100 Million Rights Offering

George Town, Grand Cayman, Cayman Islands (May 8, 2009) – United America Indemnity, Ltd. (NASDAQ: INDM) today reported it had closed on the successful \$100 million Rights Offering of its Class A Common Shares and its Class B Common Shares on Tuesday, May 5, 2009.

Rights Offering

United America Indemnity, Ltd. (the "Company") closed its previously announced rights offering of 17,178,421 Class A Common Shares and 11,435,244 Class B Common Shares raising \$100,147,828 from existing shareholders.

In the offering, an affiliate of Fox Paine invested approximately \$60.5 million in the Company pursuant to its agreement to back stop the transaction, increasing its equity ownership from 45.1% to 52.5% and its voting power from 88.1% to 89.7%, and \$39.6 million was raised from other shareholders.

Please see the Company's filings with the SEC for further information regarding the Rights Offering.

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 non-admitted basis. The Company's four principal divisions include:

- **Insurance Operations:**

- **Penn-America**, which includes property and general liability products for small commercial businesses distributed through a select network of wholesale general agents with specific binding authority;
- **United National**, which includes property, general liability, and professional lines products distributed through program administrators with specific binding authority;
- **Diamond State**, which includes property, general liability, and professional lines products distributed through wholesale brokers and program administrators with specific binding authority.

- **Reinsurance Operations:**

- **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, 2007, 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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