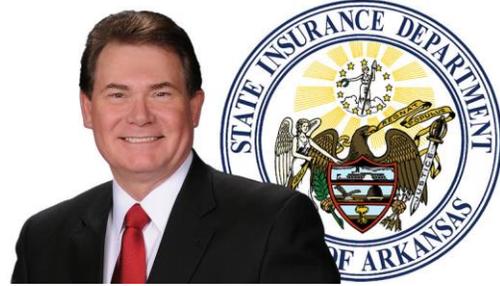


Arkansas Insurance Department

NEWS RELEASE

*Allen Kerr
Insurance Commissioner*



FOR IMMEDIATE RELEASE

June 19, 2017

CONTACT: Kenneth Ryan James (ryan.james@arkansas.gov; 501-371-2622)

Kerr Approves \$1B Acquisition

Arkansas first U.S. state to approve transaction

LITTLE ROCK – Arkansas Insurance Commissioner Allen Kerr today released the following statement following the issuance of AID Order No. 2017-049, the Arkansas Insurance Department’s approval of the acquisition of two domestic affiliated companies, Allied World Surplus Lines Insurance (AWSLIC) and Vantapro Specialty Insurance Company, by Swiss and Canadian companies.

“The Arkansas Insurance Department recommends this proposed acquisition and is proud to be the first state to approve it. I greatly thank our Finance Division for its hard work to ensure that Arkansas policyholders and the public will receive the services to which they are contractually obligated.”

AWSLIC and Vantapro are each an Arkansas domiciled insurance company and are each a wholly-owned subsidiary of Allied World Assurance Company Holdings (NYSE: AWH), a Swiss-based corporation involved in a merger with Fairfax Financial Holdings, Ltd. (OTCMKTS:FRFHF) based in Toronto, Canada.

On June 14, the Department approved a transaction where Fairfax would first acquire control of AWSLIC and Vantapro by acquiring all outstanding ordinary shares of Allied World and merging Allied World into Fairfax (Switzerland) GmbH, an indirect wholly-owned subsidiary of Fairfax Financial Holdings through Financial Holdings (Switzerland) GmbH. Fairfax would then enter into a subscription agreement with the Ontario (Canada) Municipal Employees Retirement System (OMERS) Administration Corporation through its subsidiary OCM Goldfish, Inc. for a \$1 billion investment for 21% of the issued and outstanding shares of Financial Holdings (Switzerland) GmbH.

During a public hearing on the proposed acquisition on June 8, both Fairfax and OMERS testified that they had no plans or proposals to liquidate AWSLIC or Vantapro; sell, consolidate, or merge their assets; or make any changes to the businesses, corporate structures or management. The acquisition must still be approved by Delaware, New Hampshire, and four foreign governments.

For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>, follow us on Twitter at <http://twitter.com/ARInsuranceDept> and Facebook at <http://www.facebook.com/ArkansasInsuranceDepartment>.