



WNC
Insurance Services, Inc.™

Positively.

NEWS RELEASE

June 9, 2011

WNC Insurance Holdings Corp. Completes Strategic Investment

South Pasadena, CA (June 9, 2011) - WNC Insurance Holdings Corp., parent company of WNC Insurance Services, Inc., (collectively, WNC) today secured an investment with Kiln Group Limited (Kiln) of London, UK and the founding management team.

Under the terms of the transaction, Kiln, the specialist international insurance and reinsurance underwriting group which is part of AA- rated Tokio Marine Group, will obtain a 49 per cent share in WNC. The investment is the largest by Kiln since it was founded in 1962.

The remaining 51 per cent majority share will be retained by WNC Management. WNC, a market leading provider of specialty insurance products and services to more than 4,000 US financial institutions and their customers, will retain its existing brand and management structure and continue to lead its strategy. With the investment, WNC's long-term relationship with Kiln that began in 1986 becomes even stronger.

Carl Herrmann III, CEO of WNC, said: "We are thrilled to be cementing our partnership with Kiln in this way. Our shared values and focus on customer service, empowering our people and underwriting profitable lines of business, backed by Kiln's considerable financial strength and superb reputation, will lay the foundations for our continued future success."

As a Managing General Agent, Underwriter and Program Administrator, WNC provides lender placed flood, wind, hazard, and auto insurance as well as blanket policies for portfolios of second mortgages, home equity and condominium loans to lending and loan servicing companies in the US. Through hundreds of independent agency relationships, WNC is also the largest administrator of private flood insurance programs in the US, writing primary, excess and commercial flood insurance coverages on residential and business properties nationwide.

Charles Franks, chief executive of Kiln, said: "This important investment demonstrates our continued commitment to building and maintaining long-term, profitable partnerships with high quality businesses, underpinned by our substantial financial strength. "Through this investment, which is supported by our parent Tokio Marine, Kiln will continue to capitalize on WNC's high quality underwriting capabilities, strong management team, established brand and its proven track record of generating profits, as we have done over the past 25 years."

The Kiln investment strengthens WNC's focus on delivering top-notch service to its clients and profitable results for its marketing partners. Additionally, the investment sustains WNC's drive to lead the industry in innovative products that meet the specialty needs of US financial institutions, their customers and the specialty insurance marketplace.

For more information:

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About WNC

Founded in 1962, WNC is a leading provider and innovator of specialty insurance products and services to US financial institutions and their customers. WNC delivers a comprehensive set of lender placed insurance products, insurance tracking services, and technology tools that help streamline compliance processes and ensures protection of a financial institution's interests.

WNC pioneered lender placed flood insurance in 1981, excess flood in 1995, lender placed wind in 1998, private primary flood in 2000 and single-policy commercial flood in 2010. Today, WNC is the largest Lloyd's of London flood, wind and excess flood contract holder and managing general underwriter in the US.

WNC has business centers in Los Angeles, Dallas, Milwaukee and Miami and sales offices in Los Angeles, Dallas, Little Rock, Columbia, Atlanta and Orlando.

About Kiln

Kiln is an international insurance and reinsurance underwriting group with a portfolio of specialist risks. Since 1962, it has built its business on the strength of its underwriting and its relationships.

Kiln is part of the AA- rated Tokio Marine Group. Its UK operating company, R J Kiln & Co Limited, currently manages five syndicates at Lloyd's and, in terms of capacity, is the largest agency trading in the Lloyd's (re)insurance market. In addition to the UK, Kiln has offices in Hong Kong, Singapore, South Africa, France, Germany, Belgium and Brazil.

A recognized leader in each of the seven main business areas in which it operates: property and special lines, marine, reinsurance, accident and health, aviation, life and enterprise risk, Kiln syndicates benefit from a security rating of 'A+' (Strong) assigned to Lloyd's by Standard & Poor's.