

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST EUROPE, LONDON

A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

FOR IMMEDIATE RELEASE

June 29, 2005

CONTACTS: Public Relations

Jim Peavy

(908) 439-2200, ext. 5644

james.peavy@ambest.com

Rachelle Striegel

(908) 439-2200, ext. 5378

rachelle.striegel@ambest.com

Analysts

Robert Farnam

(908) 439-2200, ext. 5594

robert.farnam@ambest.com

Joseph Roethel

(908) 439-2200, ext. 5630

joseph.roethel@ambest.com

**A.M. Best Affirms Financial Strength Ratings of Argonaut Group Incorporated;
Assigns Issuer Credit and Debt Ratings**

Ratings Supplement

The financial strength rating of A (Excellent) has been affirmed and issuer credit ratings of “a” have been assigned with a negative outlook to Argonaut Insurance Group and its following affiliates:

- **Argonaut Insurance Company**
- **Argonaut-Midwest Insurance Company**
- **Argonaut-Northwest Insurance Company**
- **Argonaut-Southwest Insurance Company**
- **Georgia Insurance Company**

The financial strength rating of A (Excellent) has been affirmed and issuer credit ratings of “a” have been assigned with a stable outlook to Rockwood Casualty Group and its following affiliates:

- **Rockwood Casualty Insurance Company**
- **Somerset Casualty Insurance Company**

The financial strength rating of A (Excellent) has been affirmed and issuer credit ratings of “a” have been assigned with a stable outlook to Colony Insurance Group and its following affiliates:

- **Colony Insurance Company**
- **Colony National Insurance Company**
- **Colony Specialty Insurance Company**

—MORE—

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST EUROPE, LONDON
A.M. BEST ASIA-PACIFIC, HONG KONG
<http://www.ambest.com>

—2—

The financial strength rating of A- (Excellent) has been affirmed and an issuer credit rating of “a-” has been assigned with a stable outlook to **Argonaut Great Central Insurance Company**.

An issuer credit rating of “bbb” has been assigned with a negative outlook to **Argonaut Group Incorporated**.

The following debt rating has been assigned with a negative outlook:

Argonaut Group Incorporated—

--“bb+” on \$35.4 million 7.0% Series A mandatory convertible preferred stock.

The following indicative ratings on securities available under \$150 million shelf registration have been affirmed with a negative outlook:

Argonaut Group Incorporated—

-- “bbb” on senior debt

--“bbb-” on subordinated debt

--“bb+” on preferred stock

A.M. Best Co., established in 1899, is the world’s oldest and most authoritative insurance rating and information source. For more information, visit A.M. Best’s Web site at <http://www.ambest.com>.

####