

## **TAWA CONTINUES US ACQUISITION PROGRAMME AS IT TAKES MAJORITY HOLDING IN LINCOLN GENERAL**

LONDON  
April 7, 2011

Tawa plc today announced that it has entered into a definitive agreement to acquire for \$1 a 51% stake in a newly formed US holding company, LGIC Holdings, LLC. Subject to regulatory approval, LGIC will acquire a majority of Walshire General Assurance Company, the sole shareholder of Lincoln General Insurance Company. The other investor in LGIC will be Kingsway Financial Services Inc, the former indirect owner of Walshire General Assurance Company.

Pennsylvania-based Lincoln General, in run-off since 2009, reported statutory gross assets of \$412 million and net assets of \$3.2 million at the end of 2010. Previously Lincoln General wrote a broad book of predominantly commercial and personal lines insurance.

After making allowances for fair value adjustments Tawa anticipates that the transaction will have minimal impact on net assets.

*Marvin Mohn, head of US operations for Tawa and its subsidiary Pro, commented, "This transaction is an exciting and natural development to the partnership which Tawa and Pro announced with Lincoln General in November 2010."*

"Working closely with the Lincoln General team in the management of this challenging run-off will provide Tawa and Pro with the opportunity to develop further their joint US management services line of business."

"We are also very pleased to be partnering with Kingsway as shareholders of the holding company."

### **ENDS**

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### **About Tawa:**

Tawa plc was formed in 2001 with the purpose of acquiring or developing assets and business in the insurance industry. Tawa is interested in acquiring run-off portfolios of insurance and reinsurance companies, companies and businesses providing services to the insurance industry and in developing its own products to serve the insurance market as a whole.

Since its formation, Tawa has acquired CX Reinsurance Company Limited, KX Reinsurance Company Limited, PXRE Reinsurance Company, Island Capital Limited, the Pro group of companies and OX Reinsurance Company Limited. It also set up QX Reinsurance Company Limited, a Bermudian regulated reinsurance company, to write reinsurance business.

The combined Tawa/Pro team of 250 professionals service a number of the largest insurance businesses in the UK and Europe and deliver a market-wide third-party servicing capability as Pro services active underwriters as well as run-offs and cover London's company and Lloyd's markets as well as Europe and the USA.

Tawa also operates as an incubator for new projects and launched the STRIPE® system in September 2010. STRIPE is a web based platform enabling insurers and cedants to deal with their (re)insurers directly, reducing re-processing of data. STRIPE supports the single keying of data and allows the rapid and secure delivery of all transactions.

In July 2007 Tawa plc was floated on the AIM market. Further information can be found on the Company's website: [www.tawapl.com](http://www.tawapl.com)