

**FAIRFAX**  
*News Release*  
**Stock Symbol: FFH**

**TORONTO, March 11, 1998**

**FAIRFAX AGREES TO PURCHASE CRUM & FORSTER**

Fairfax Financial Holdings Limited has agreed to purchase Crum & Forster Holdings, Inc. of Morristown, New Jersey from Talegen Holdings, Inc. for US\$565 million, payable on closing, and to fund the repayment of Crum & Forster's US\$115 million debt to Talegen. Crum & Forster writes commercial lines property and casualty insurance throughout the United States.

Like Fairfax's Lombard Insurance operations in Canada, Crum & Forster underwrites general commercial business, targeted to mid-size companies, produced by a limited number of select independent agents and brokers (about 570).

In 1997, Crum & Forster had net premiums written of approximately US\$940 million and total assets of about US\$5.2 billion, including an investment portfolio of approximately US\$3.3 billion. It has about 1,650 employees.

In connection with closing, Crum & Forster will have in place US\$400 million of reinsurance against the possibility of a shortfall in current reserves or reinsurance recoverables.

Fairfax plans to finance the purchase price by issues of debt and subordinate voting shares. After these issues, Fairfax's financial leverage, as measured by net debt to total capital, would be in the 30% range.

Completion of this purchase is subject to closing conditions, including the receipt of applicable regulatory approvals. Closing would be contemplated to occur by the third quarter of 1998.

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property, casualty and life insurance and reinsurance, investment management and insurance claims management.

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