

# FAIRFAX FINANCIAL HOLDINGS

## News Releases

**Stock Symbol: FFH**

TORONTO, September 30, 1998

### **FAIRFAX ANNOUNCES INTENTION TO INVEST IN A MERGER OF INSURANCE BROKERS**

Fairfax Financial Holdings Limited announces that it intends to acquire an approximate 45% interest in a business merging the operations of a number of independent Canadian insurance brokers. The new entity, to be named The Hub Group, will include among its members Gulliver Insurance Brokers Limited (Leamington/Windsor/Kingsville/Wheatley); Knox Vicars McLean (Ontario) Limited (Toronto); Knox Vicars McLean (Special Risks) Limited (Toronto), Knox Vicars McLean Inc. (Montreal); I.C. Insurance Brokers Limited, INS Group Services Inc. (Brampton); Keard Insurance Brokers Limited (Toronto); Gifford Associates Insurance Brokers (Nepean); Mitchell McConnell Insurance Limited (Saint John); Jonathan Matthews Insurance Brokers, Matthews Posner and Associates, Berkeley Investment Services (Canada) Inc. (North York); and Ezzard-Eberts Commercial Insurance Brokers (Kamloops), each of whom will continue to operate independently. Rick Gulliver will be the President and CEO of the new entity and John Varnell, the CFO of Fairfax, will serve as Chairman of the Board.

Fairfax currently anticipates contributing up to \$45 million for its initial interest. When The Hub Group goes public, Fairfax would purchase sufficient shares to maintain its 45% interest. These shareholdings will represent a portfolio investment for Fairfax.

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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