

# FAIRFAX FINANCIAL HOLDINGS

## News Releases

**Stock Symbol: FFH**

TORONTO, December 03, 1998

### **FAIRFAX AGREES TO ACQUIRE TIG HOLDINGS, INC.**

Fairfax Financial Holdings Limited has entered into a definitive agreement to acquire TIG Holdings, Inc. of New York, N.Y. through a merger transaction. Upon the merger, each holder of TIG common shares will be eligible to receive US \$16.50 cash for each share held.

TIG, whose approximately 51 million outstanding common shares are listed on the New York Stock Exchange, is engaged throughout the United States in primarily commercial property and casualty insurance, through TIG Insurance Company and other subsidiaries, and reinsurance through TIG Reinsurance Company. In 1997 and the first nine months of 1998, TIG had net premiums written of US \$1.4 billion and \$1.14 billion, respectively. At September 30, 1998, it had total assets of US \$7.3 billion (including US \$4.2 billion of investments), shareholders' equity of US \$1.16 billion and approximately 1,000 employees.

Fairfax plans to finance the acquisition cost through the issue of subordinate voting shares.

Completion of this transaction is subject to the receipt of satisfactory applicable regulatory approvals, approval of the merger by the shareholders of TIG and standard closing conditions. Completion of the merger is contemplated to occur in the spring of 1999.

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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