

# **FAIRFAX News Release**

**Stock Symbol: FFH**

**TORONTO, May 25, 1999**

## **FAIRFAX AGREES TO ACQUIRE CLASS I SHARES OF TRG HOLDING CORPORATION**

Fairfax Financial Holdings Limited has entered into a definitive agreement to acquire all of the Class I voting shares of TRG Holding Corporation of Chicago, Illinois for US\$97 million, which is below the Class I shareholders' share of TRG's underlying net assets. The outstanding Class II non-voting shares of TRG will continue to be held by Xerox Financial Services, Inc.

TRG was formed in 1993 to manage the run-off of International Insurance Company and other discontinued lines of business written by the Talegen group of insurance companies. At December 31, 1998, TRG had total assets (constituted essentially by the assets of wholly owned International Insurance Company) of US\$2.7 billion (including US\$1.2 billion of investments) and total Class I and Class II shareholders' equity of US\$0.5 billion.

TRG will also be responsible for the management of discontinued books of business, management of run-off operations and collection of reinsurance assets within the Fairfax group.

Fairfax will finance the acquisition cost through internal sources.

Completion of this transaction is subject to the receipt of satisfactory applicable regulatory approvals and standard closing conditions. Completion of the purchase is contemplated to occur in the summer 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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