

Press Release

Acquisition of Momentum Underwriting Management Ltd

London, September 22 2008

Beazley Group plc ("Beazley") is pleased to announce the acquisition of the entire existing share capital of Momentum Underwriting Management Limited ("MUM").

Established in 2000, MUM is a leading specialist personal accident and life underwriting management agency based in London with an office in Australia. Momentum is led by its founders Christopher Branch, Martin Power, Marc Frost and Mark Edwards.

MUM plans to underwrite around \$100 million (USD) of gross premium for 2009 and Beazley's support gives MUM new growth opportunities.

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The transaction, which is not expected to have a material earnings or net asset impact in the near term, is consistent with Beazley's strategy to continue to diversify its portfolio of specialist business into niche international markets which benefit from high barriers to entry. Whilst MUM will continue as an agency, Beazley's share of the business will be underwritten by two new Lloyd's syndicates. In addition, Beazley will be supporting MUM in their plans to establish local operations in the United States, further expanding Beazley's presence and underwriting reach in the US.

The total consideration payable in relation to the transaction is up to \$37.5 million (the "consideration"), representing £20.6 million at current exchange rates, subject to a pound-for-pound adjustment to the extent that net assets at completion differ from £2.4 million (the "net asset adjustment").

The consideration, which will be satisfied through Beazley's own internal cash resources, comprises an upfront cash payment of \$15 million (£8.2 million) payable upon completion, subject to the net asset adjustment, and further deferred payments of up to \$22.5 million (£12.4 million) payable in instalments between 2012 and 2014. The amount of the deferred consideration is subject to the profitability of the business during the 2009, 2010 and 2011 years of account. For the financial year ended 31 December 2007, MUM reported audited consolidated profit before tax of £0.5 million and gross assets of £2.6 million.

The transaction is subject to the approval of Lloyd's and the Financial Services Authority.

"We are delighted to welcome Chris and his team to Beazley," said Andrew Horton, Chief Executive of Beazley. "We have been tremendously impressed by the profitable business which he and his colleagues have built over the years and we look forward to providing them with the support and tools to accelerate their already impressive development.

"This acquisition reflects our ambition to continue to develop our specialist expertise in sophisticated underwriting markets and represents a strong strategic fit. It provides an excellent opportunity for Beazley to access new business that complements our existing portfolio."

Chris Branch, Chairman and Managing Director of MUM, said, "We look forward to working with Beazley to enhance and develop our current product offering. This exciting development provides an excellent platform for future growth."

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Note to editors:

Beazley Group, plc (BEZ.L), based in London, is the parent company of global, specialist insurance businesses with operations in the UK, US, France, Singapore and Hong Kong. Beazley manages two Lloyd's syndicates (Syndicate 2623 and Syndicate 623) with aggregate underwriting capacity in 2008 of £814m (US\$1.6bn). Both syndicates are rated A by A.M. Best. In the US, Beazley's underwriters focus on writing specialist insurance products in the admitted market, backed by Beazley Insurance Company, Inc., an admitted carrier in all 50 states; and surplus lines risks, backed by the Beazley syndicates at Lloyd's. Beazley Insurance Company, Inc. is rated A by A.M. Best.

Beazley is a market leader in many of its chosen lines, which include professional indemnity, commercial property, marine, reinsurance, and personal lines.

For more information please go to: www.beazley.com

Momentum Underwriting Management is an underwriting agency specialising in insurance and reinsurance of Life and Accident business. Headquartered in London, with an office in Brisbane and an office opening shortly in Chicago, MUM was founded by the directors and staff of the company in 2000.

MUM has a global account and is a leader in all of its chosen niches and is also the largest underwriter of sports disability business outside of the USA.

For more information please see www.mum-ltd.com

This announcement contains "forward looking statements" with respect to the Beazley Group's (the "Group") plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events that are beyond the Group's control. Factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to: economic business conditions; monetary and interest rate policies; equity and property prices; the impact of competition, inflation and deflation; changes to regulations, taxes or UK and foreign legislation; changes to consumer saving or spending habits; changes to product reliability and repair costs; foreign exchange rates; and, the Group's success in managing the above factors. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Group's forward-looking statements. The Group undertakes no obligation to update the forward-looking statements contained within this review or any other forward-looking statements we make.

Note: under the terms of the UKLA listing rules the acquisition of MUM is a Class Two Transaction not requiring shareholder approval.