

News

For Release
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GMAC Insurance Agrees to Acquire U.K.-based Provident Insurance *Supports growth strategy and business diversification*

HIGH WYCOMBE, ENGLAND– GMAC Insurance, the insurance business of GMAC Financial Services, today announced that it has entered into an agreement to acquire Provident Insurance, the United Kingdom-based automotive insurance division of Provident Financial PLC. The acquisition will complement GMAC's existing U.K. insurance operations and support European growth initiatives.

The purchase price is approximately £170 million (\$340 million USD) in cash and is expected to close in the second quarter, pending regulatory approvals.

"It is a strategic priority at GMAC Insurance to continue to grow and diversify our business both in product lines and geography," said Senior Vice President of GMAC Insurance's international operations Ron Judd. "While our international business currently has strong operations such as Car Care Plan and Motors Insurance Company in the U.K., the addition of Provident Insurance would provide entry into the U.K. automotive insurance market with the potential to also expand throughout Europe."

Provident Insurance is a leading U.K. automotive insurer specializing in non-comprehensive coverage, second cars and female drivers. Provident Insurance distributes its products through a broad network of brokers and through its own growing internet based intermediary, www.yesinsurance.co.uk.

GMAC Insurance is the insurance arm of GMAC Financial Services with a focus on automotive insurance products such as physical damage and liability coverage, extended warranty, GAP insurance and wholesale floorplan insurance (automobile dealer inventory). The international operations of GMAC Insurance operate outside the U.S. and Canada, and include Car Care Plan (a U.K.-based extended warranty insurer), ABA Seguros (a Mexico-based motor insurer), GMAC Life Forsäkring (a Swedish-based credit life company) and an international reinsurance business based in Bermuda.

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