



NEWS RELEASE

Arch Insurance to Acquire McNeil & Co.

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PEMBROKE, Bermuda--(BUSINESS WIRE)-- Arch Capital Group Ltd. (NASDAQ:ACGL) today announced it has entered into a definitive agreement to acquire McNeil & Co. ("McNeil"), a nationwide leader in specialized risk management and insurance programs headquartered in Cortland, New York. Terms of the transaction were not disclosed.

"McNeil is a great fit for Arch and solidifies a program relationship that dates back to Arch's earliest days," said Nicolas Papadopoulos, Chairman and CEO of Arch Worldwide Insurance Group. "It's a true win-win for both parties as Arch benefits from McNeil's reputation in the program space, underwriting expertise and experience while McNeil receives the financial strength and depth that comes from a company like Arch."

Mr. Papadopoulos continued, "But the greatest beneficiary will be McNeil's existing customers, who will be ensured continuity of service and the capital resources of Arch."

McNeil was founded in 1989 with a focus on delivering a consultative approach to managing risk for its clients. Its operations include over 1,300 retail agents in the U.S. and it produced \$153.7 million of premium for Arch Insurance in 2017. Post-acquisition, McNeil will operate independently, supporting Arch Insurance's program division.

Dan McNeil, President of McNeil, said the acquisition was a unique opportunity. "When Arch approached us about joining the company we knew that we had to listen. The companies have a long history of working together and a shared set of values. By coming together, we're able to provide better service to our clients and greater opportunities to our employees. I'm excited about what the future holds."

The transaction is expected to close later this quarter and is subject to closing conditions, including regulatory approvals, clearances and relevant jurisdictions.

Advisors

Sherman & Company LLC served as financial advisor to Arch on the transaction.

About Arch Capital Group Ltd.

Arch Capital Group Ltd., a Bermuda-based company with approximately \$11.21 billion in capital at September 30, 2018, provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries.

About McNeil & Company

McNeil & Co. is a nationwide leader in specialized insurance programs, drawing on deep industry expertise to develop and deliver policies and risk management services that meet the unique needs of clients. McNeil & Co. offers the best possible specialized coverage, along with a full array of risk management services, to help customers maximize preparedness and grow their businesses. Established in 1989 to answer a need for more comprehensive, tailored policies in the emergency services market, McNeil & Co. has developed and expanded a model for specialty insurance programs based on genuine industry knowledge and a consultative approach to loss control and risk management. Acclaimed products include AdvenSure, AnimalKeepers, ASIP, Car Wash, ESIP (and Benefits), FireWatch, HOMed (O&P Plus), WildPRO and the Bar, Tavern, Club program. For more information, visit: mcneilandcompany.com.

Cautionary Note Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This release or any other written or oral statements made by or on behalf of Arch Capital Group Ltd. and its subsidiaries may include forward-looking statements, which reflect our current views with respect to future events and financial performance. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or their negative or variations or similar terminology. Forward-looking statements involve our current assessment of risks and uncertainties. Actual events and results may differ materially from those expressed or implied in these statements. A non-exclusive list of the

important factors that could cause actual results to differ materially from those in such forward-looking statements includes the following: adverse general economic and market conditions; increased competition; pricing and policy term trends; fluctuations in the actions of rating agencies and our ability to maintain and improve our ratings; investment performance; the loss of key personnel; the adequacy of our loss reserves, severity and/or frequency of losses, greater than expected loss ratios and adverse development on claim and/or claim expense liabilities; greater frequency or severity of unpredictable natural and man-made catastrophic events; the impact of acts of terrorism and acts of war; changes in regulations and/or tax laws in the United States or elsewhere; our ability to successfully integrate, establish and maintain operating procedures as well as integrate the businesses we have acquired or may acquire into the existing operations; changes in accounting principles or policies; material differences between actual and expected assessments for guaranty funds and mandatory pooling arrangements; availability and cost to us of reinsurance to manage our gross and net exposures; the failure of others to meet their obligations to us; and other factors identified in our filings with the U.S. Securities and Exchange Commission.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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