



Tower Group, Inc. Acquires Workers Compensation Renewal Rights from AequiCap Program Administrators

NEW YORK, Oct 15, 2009 (BUSINESS WIRE) -- Tower Group, Inc. (NASDAQ: TWGP) announced today that it has acquired the renewal rights to the workers compensation business of AequiCap Program Administrators, an underwriting agency based in Fort Lauderdale, Florida. The business subject to the agreement primarily consists of small, low to moderate hazard workers compensation policies in Florida that are consistent with Tower's current underwriting guidelines. In addition, AequiCap's employees involved in the servicing of the workers compensation business will become employees of Tower. The business is expected to contribute approximately \$40 million in premiums on an annual basis.

Michael H. Lee, President and Chief Executive Officer of Tower Group, Inc., stated, "Through our CastlePoint operations, Tower has worked with AequiCap since 2007 to provide insurance services and therefore, we have a deep degree of familiarity with the business. We are pleased to further strengthen our regional presence in the Southeast and now have offices in Mobile, Atlanta, and Fort Lauderdale. Importantly, the producers and insureds alike will benefit from Tower's higher financial strength rating, our strong level of capitalization and the continuity of business relationships with the professionals they have worked with in the past who are now joining Tower."

About Tower Group, Inc.

Tower Group, Inc. offers property and casualty insurance products and services through its operating subsidiaries. Its insurance company subsidiaries offer insurance products to individuals and small to medium-sized businesses through its network of retail and wholesale agents and specialty business through program underwriting agents. Tower's insurance services subsidiaries provide underwriting, claims and reinsurance brokerage services to other insurance companies.

Cautionary Note Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This press release and any other written or oral statements made by or on behalf of Tower may include forward-looking statements that reflect Tower's current views with respect to future events and financial performance. All statements other than statements of historical fact included in this press release are forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may," "will," "plan," "expect," "project," "intend," "estimate," "anticipate," "believe" and "continue" or their negative or variations or similar terminology. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the actual results of Tower to differ materially from those indicated in these statements. Please refer to Tower's filings with the SEC, including among others Tower's Annual Report on Form 10-K for the year ended December 31, 2008 and subsequent filings on Form 10-Q, for a description of the important factors that could cause the actual results of Tower to differ materially from those indicated in these statements. Forward-looking statements speak only as of the date on which they are made, and Tower undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

For more information visit Tower's website at <http://www.twrgroup.com/>.

SOURCE: Tower Group, Inc.

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