



AmTrust Financial Services, Inc. Completes Acquisition of Warrantech Corporation

NEW YORK, Aug. 26, 2010 (GLOBE NEWSWIRE) -- AmTrust Financial Services, Inc. ("AmTrust") (Nasdaq:AFSI) announced today that, through its subsidiary AMT Warranty Corp., it has acquired the remaining 73% ownership interest in Warrantech Corporation ("Warrantech"), bringing its total ownership interest to 100%. Warrantech is a Bedford, Texas-based developer, marketer, and third party administrator of service contracts and aftermarket warranty products that largely serves the consumer products and automotive industries in the U.S. and Canada. From 2007 through the second quarter of 2010, AmTrust has generated over \$224 million in written premium with strong underwriting profits as a result of its original ownership interest in Warrantech.

"We are excited about the additional revenue opportunities and diversification that the Warrantech transaction provides," said AmTrust Financial Services, Inc. President and CEO, Barry Zyskind. "By bringing together these two robust warranty administration platforms, we expect to significantly increase our fee income and benefit from enhanced scale and technology efficiencies while further strengthening AmTrust's market presence and premium opportunities in the warranty space. We believe the talent and experience of the newly combined platform will provide additional momentum as we continue to deliver strong value for our clients and shareholders."

The transaction was funded with a net \$7.5 million in cash and includes an earnout payment to the sellers of a minimum of \$2.0 million with a maximum of \$3.0 million based on AMT Warranty Corp.'s EBITDA. Additionally, immediately following the transaction, the Company's existing \$24.1 million note receivable from Warrantech was transferred to AMT Warranty Corp.

About AmTrust Financial Services, Inc.

AmTrust Financial Services, Inc., headquartered in New York City, is a multinational insurance holding company, which, through its insurance carriers, offers specialty property and casualty insurance products, including workers' compensation, commercial automobile and general liability, and extended service and warranty coverage. For more information about AmTrust, visit www.amtrustgroup.com, or call AmTrust toll-free at 866.203.3037.

The AmTrust Financial Services, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3280>

Forward Looking Statements

This news release contains "forward-looking statements" that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that actual developments will be those anticipated by the Company. Actual results may differ materially from those projected as a result of significant risks and uncertainties, including, but not limited to, non-receipt of the expected payments, changes in interest rates, effect of the performance of financial markets on investment income and fair values of investments, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the impact of competition and pricing environments, changes in the demand for the Company's products, the effect of general economic conditions, adverse state and federal legislation, regulations and regulatory investigations into industry practices, developments relating to existing agreements, heightened competition, changes in pricing environments, and changes in asset valuations. The forward-looking statements contained in this new release are made only as of the date of this release. The Company undertakes no obligation to publicly update any forward-looking statements except as may be required by law. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected, is contained in the Company's filings with the Securities and Exchange Commission, including its annual Report on Form 10-K and its quarterly reports on Form 10-Q.

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