

For Immediate Release

Contact: Suzi Stolte
Pinnacol Assurance
303.361.4777 (office)
303.406.3795(mobile)
suzi.stolte@pinnacol.com

John Hall
Peter Webb Public Relations
303.796.8888 (office)
303.204.6131(mobile)
jhall@pwpr.com

Pinnacol Assurance Issues \$120 Million in General Dividends to Colorado Businesses

Policyholders' Commitment to Workplace Safety and Claims Management Rewarded

DENVER, May 17, 2009 – Pinnacol Assurance, Colorado's assured and trusted source for workers' compensation insurance, announced today it is issuing general dividend checks totaling approximately \$120 million to its policyholders. Over the past five years Pinnacol has returned a total of \$347 million in general dividends to Colorado's business community.

This year, 89 percent of Pinnacol policyholders will receive a dividend. The average dividend check is approximately \$2,200. Checks are calculated based on the size of a policyholder's annual premium compared to claims costs. Pinnacol policyholders in all 64 Colorado counties are getting checks at a time when many Colorado businesses could use an economic boost.

"Our ability to return a general dividend to our policyholders is a direct result of two things," said Ken Ross, Pinnacol president and CEO. "First, our policyholders have demonstrated an incredible commitment to workplace safety and an undeniable focus on lowering their claims. Second, the dividend speaks to Pinnacol's strength and stability and our commitment to returning money to the people it belongs to – our policyholders. We can't underestimate the power of returning this money to Colorado businesses during these troubling economic times."

Dividends reward Pinnacol policyholders with strong safety records and low claims costs and are based on actual performance during a specific period of time. This year's dividend is based on policyholder performance between June 2007 – June 2008. Pinnacol's board of directors began

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discussing the total amount that would be returned to policyholders in late 2008 based on the projected financial results for the year. Final determination of the dividend was made after the company's annual audit was completed.

Pinnacol's policyholders represent the full spectrum of Colorado's industries, including construction, manufacturing, high-tech, transportation, and agriculture. Pinnacol provides a variety of free resources to help ensure safe workplaces for policyholders. Safety consultants and return-to-work specialists are available at no cost to perform worksite inspections and develop customized injury-prevention and transitional work programs. In addition, Pinnacol hosts regular seminars on diverse issues ranging from back-injury prevention to safety for non-English speaking workers.

About Pinnacol Assurance

For more than 90 years, Pinnacol Assurance has done one thing – provide workers' compensation insurance in Colorado. Through its affiliated agents, Pinnacol provides competitively priced coverage; comprehensive attention to claims; a highly qualified network of medical providers; and proactive safety programs to approximately 58,000 Colorado businesses. For more information, please visit www.pinnacol.com.

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