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Morgan Stanley Delivers Analysis to Governor Ritter

March 8, 2010

Statement attributable to Ken Ross, Pinnacol President & CEO

“Today, Morgan Stanley delivered to the governor’s office their analysis of the proposed Pinnacol separation transaction proposal dated February 11, 2010. Pinnacol also received a copy of the Morgan Stanley analysis.

Our financial team, legal experts and Board of Directors will now undertake a thorough analysis of the document to understand how the payment ranges would impact Pinnacol’s surplus level and investment portfolio. This analysis will be done within the context of our principal concerns, which include that the range of payments to the state will not impair Pinnacol’s future ability to consider reducing rates or issuing dividends nor impact our ability to provide services and pay benefits to injured workers.

The final decision regarding any separation payment to the state must be approved by Pinnacol’s Board of Directors. We will continue to participate in good faith in discussions with the governor’s office and legislative leadership in order to achieve a mutually acceptable agreement that will result in Pinnacol’s separation from the state.”

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