

## **ZENITH NATIONAL INSURANCE CORP.**

### **DISCLOSURE COMMITTEE**

The Disclosure Committee assists the Chief Executive Officer and the Chief Financial Officer fulfill their and Zenith's responsibilities regarding (1) internal control over financial reporting and (2) disclosure controls and procedures under the applicable rules and regulations of the Securities Exchange Commission.

The committee fulfills these two objectives as follows:

With respect to internal control over financial reporting, the committee oversees management's responsibilities in establishing a network of processes with the objective of controlling the operations of the Company, so as to provide the Chief Executive Officer and the Chief Financial Officer reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles.

With respect to disclosure control and procedures, the committee establishes such processes designed to provide the Chief Executive Officer and the Chief Financial Officer reasonable assurance that disclosures made by Zenith in Securities and Exchange Commission filings and to the investment community are accurate, complete and timely and comply with applicable laws and New York Stock Exchange rules.

The committee must include the president and chief operating officer who acts as the chair of the committee, the chief financial officer and principal accounting officer, the general counsel, the chief investment officer, the chief actuarial officer, the chief assurance officer, the senior vice president of human resources and the chief information officer. In addition, the senior executive in charge of claims and the senior executive in charge of branch operations currently also serve on the committee.

**ZENITH NATIONAL INSURANCE CORP.  
DISCLOSURE COMMITTEE CHARTER**

**AS RATIFIED BY THE AUDIT COMMITTEE OCTOBER 23, 2006**

This Charter (the “**Charter**”) has been established for the Disclosure Committee (the “**Committee**”) by Zenith National Insurance Corp. (the “**Company**”) and ratified by the Audit Committee of the Board of Directors.

- I. Objective.** The Committee has been formed to assist the Company’s Chief Executive Officer and Chief Financial Officer (the “**Certifying Officers**”) in fulfilling the Company’s and the Certifying Officers’ responsibilities regarding (1) internal control over financial reporting, as defined in Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934 (“**Internal Control over Financial Reporting**”) and (2) disclosure controls and procedures, as defined in Rules 13a-15 and 15d-15 under the Securities Exchange of 1934 (“**Disclosure Controls and Procedures**”).

Toward meeting these two objectives:

- A. With respect to Internal Control over Financial Reporting, the Committee shall oversee management’s responsibilities in establishing a network of processes with the objective of controlling the operations of the Company in a manner that provides the Certifying Officers reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (“GAAP”), including reasonable assurance that:
1. Data and information relied upon by management to conduct the Company’s operations and to develop its financial reports are materially accurate, complete, reliable and timely;
  2. The actions of directors, officers and employees comply with the Company’s policies and all applicable laws and regulations;
  3. The Company’s resources (including its personnel, systems data/ information bases and customer goodwill) are adequately protected;
- B. With respect to Disclosure Controls and Procedures, the Committee shall establish such processes that are designed to provide the Certifying Officers reasonable assurance that disclosures made by the Company in Securities and Exchange Commission (“SEC”) filings and to the investment community are accurate, complete and timely and comply with applicable laws and New York Stock Exchange rules.

In fulfilling these objectives, the Committee shall have full access to the Company's books, records, personnel and facilities. The Committee is authorized to confer with the Company's independent auditors, officers and employees, and to investigate any matter within the scope of the Committee's responsibilities. The Committee may retain independent consultants and outside legal counsel to assist it in the discharge of its responsibilities and to verify the accuracy and completeness of Company disclosures.

**II. Responsibilities.** Under the supervision and oversight of the Certifying Officers, the Committee shall:

A. With respect to Internal Control over Financial Reporting:

1. Direct that management of the Company –
  - (a) Identify and evaluate the exposure to risk or loss that relate to their operations and scope of responsibilities,
  - (b) Specify and establish policies, plans, operating standards, procedures and systems designed to minimize, mitigate and/or limit the risks associated with identified exposures,
  - (c) Design and establish reasonable control processes that require and encourage officers and employees to carry out their duties and responsibilities that achieve the control objectives set forth in this Charter;
  - (d) Maintain and validate the effectiveness of the control processes that they have established and foster continuous improvement in these processes; and
  - (e) Remediate identified deficiencies in the foregoing items in a timely manner.
2. Ascertain that the Internal Control over Financial Reporting is properly designed, documented and functioning effectively;
3. Provide reports to the Certifying Officers on the effectiveness of the Company's Internal Control over Financial Reporting together with recommendations to improve such controls;
4. Monitor and evaluate the duties and responsibilities of management, Internal Audit, Internal Controls and Enterprise Security as such duties and responsibilities relate to the Company's Internal Control over Financial Reporting; and

5. Determine that any major issues reported by Internal Audit, Internal Controls, Enterprise Security, external auditors and other outside advisors are satisfactorily resolved.

B. With respect to Disclosure Controls and Procedures:

1. Establish, periodically evaluate and, if necessary, modify the Company's Disclosure Controls and Procedures that are designed to ensure that information required to be disclosed by the Company in filings with the SEC and other information that the Company discloses to the investment community is recorded, processed, summarized and reported accurately and timely;
2. Participate in the preparation of the Company's (a) annual report on Form 10-K and each quarterly report on Form 10-Q (collectively, the "**periodic reports**"), and current reports, proxy statements, information statements, registration statements and other filings with the SEC, (b) press releases containing financial and other information material to the marketplace for Company securities, (c) presentations to stockholders, analysts and the investment community (collectively, "**Disclosure Statements**") and (d) the Company's website(s) to the extent reflecting the items referenced in this Charter;
3. Evaluate the integrity and effectiveness of the Company's Disclosure Controls and Procedures within the time period required by applicable law or regulation before the Company files its periodic reports with the SEC and any amendments to those reports; and
4. Review with the Certifying Officers all relevant information with respect to the Committee's proceedings, the preparation of Disclosure Statements and the Committee's evaluation of the effectiveness of the Company's Disclosure Controls and Procedures.

### III. **Membership**

- A. Committee members shall include the president and chief operating officer, the chief financial officer and principal accounting officer, the general counsel, the chief investment officer, the chief actuarial officer, the chief assurance officer, the senior vice president of human resources and the chief information officer. Other Committee members may be appointed or removed by the Certifying Officers. In addition, the Committee shall periodically review membership for appropriateness and make such modifications as necessary.

- B. The Certifying Officers (acting with such members of the Committee as they shall elect) may, at any time, assume any or all of the duties of the Committee identified in this Charter when time or other factors do not permit the full Committee to review a Disclosure Statement and/or any assertion on Internal Control over Financial Reporting or Disclosure Controls and Procedures. If neither of the Certifying Officers is available, they may delegate their responsibilities to any member of the Committee.
- C. The president and chief operating officer of the Company shall serve as the Committee chair. The Committee chair shall schedule and preside over meetings and prepare agendas. Any interpretation of the Charter or the Committee's procedures shall be made by the Committee chair.
- D. The Committee may invite representatives of such departments of the Company and such independent consultants or others as it deems necessary from time to time to attend meetings of the Committee.
- E. The Committee shall meet as necessary to ensure (i) the accuracy and completeness of Disclosure Statements, (ii) the effectiveness of Internal Control over Financial Reporting and (iii) the effectiveness of the Disclosure Controls and Procedures.

#### **IV. Communications and Reporting**

- A. On a quarterly basis, the Committee shall advise the Certifying Officers as to its findings and assessments related to its activities under this Charter.
- B. The Committee shall meet as necessary to evaluate the design and effectiveness of the Company's Internal Control over Financial Reporting and Disclosure Controls and Procedures within five days before the Company files its periodic reports with the SEC and any amendments to such reports.

#### **V. Periodic Evaluation**

The Committee shall review and reassess this Charter and the performance of the Committee annually and recommend any proposed changes to the Certifying Officers for approval. The Committee shall formally present the Charter to the Audit Committee for ratification at least once every two years.

#### **VI. Other Responsibilities and Delegation**

The Certifying Officers may assign other responsibilities, consistent with this Charter, to the Committee, and may delegate as they consider appropriate.