



PRESS RELEASE

BUSINESS & FINANCIAL EDITORS
FOR IMMEDIATE RELEASE

STANLEY R. ZAX
Chairman and President

**ZENITH BELIEVES CLASS ACTION LITIGATION IS
WITHOUT MERIT AND INTENDS TO DEFEND IT VIGOROUSLY**

WOODLAND HILLS, CA, July 20, 2007
Zenith National Insurance Corp. (NYSE: ZNT) today announced that a purported class action complaint was filed in the United States District Court for the Central District of California by Kathleen Roche d/b/a Back Doctors Chiropractic on behalf of herself and a purported class of similarly situated providers against Zenith Insurance Company.

The complaint alleges that defendants improperly discounted medical bills that were submitted for payment. Zenith has not yet been served a copy of the complaint.

The Company believes that the complaint is without merit and intends to defend the litigation vigorously.

Zenith is a specialty workers' compensation insurer with headquarters in Woodland Hills, California.

Some statements in this press release are known as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements about the Company's beliefs and intentions regarding the reported lawsuit. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements, including a ruling by a court that is adverse to the Company's position and other uncertainties and matters beyond the Company's control inherent in legal proceedings. These forward-looking statements are based on the information currently available to the Company and speak only as of the date of this press release. The Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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