

TheZenith®

PRESS RELEASE

BUSINESS AND FINANCIAL EDITORS
FOR IMMEDIATE RELEASE

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ZENITH ANNOUNCES COMMENCEMENT OF CONSENT SOLICITATION

WOODLAND HILLS, CALIFORNIA, May 17, 2010
Zenith National Insurance Corp. (NYSE:ZNT) announced today the commencement of a consent solicitation relating to the 8.55% Capital Securities (Liquidation Amount of \$1,000 per Capital Security) (the "Capital Securities") of Zenith National Insurance Capital Trust I (the "Trust"), which holds as its sole assets, the 8.55% Subordinated Deferrable Interest Debentures due 2028 (the "Debentures") of Zenith.

As of May 14, 2010, there was \$75,000,000 in aggregate liquidation amount of Capital Securities issued and outstanding, \$16,500,000 in aggregate liquidation amount of which was held by the Company and its affiliates. In accordance with the Declaration of Trust, Capital Securities that are owned by the Company or its affiliates will not be entitled to consent and will be treated for the purposes of this consent solicitation as if they were not outstanding. Therefore, for purposes of providing and calculating consents in connection with the consent solicitation, \$58,500,000 in aggregate liquidation amount of Capital Securities shall be deemed outstanding and eligible to provide consent.

As previously reported, on February 17, 2010, Fairfax Financial Holdings Limited ("Fairfax") and Zenith National Insurance Corp. ("Zenith") entered into a merger agreement pursuant to which Fairfax will acquire all of the outstanding shares of Zenith's common stock, which Fairfax does not currently own, for \$38 per share in cash. At a special meeting on April 29, 2010, Zenith's stockholders voted overwhelmingly in favor of Zenith's acquisition by Fairfax. The transaction is subject to the approval by the California Department of Insurance and the satisfaction or waiver of other customary closing conditions. The transaction is expected to close in the second quarter of 2010.

Zenith is seeking to obtain the consent of the holders of the Capital Securities, to permit an amendment to the reporting covenants of the indenture governing the Debentures. The proposed amendments would allow Zenith to provide annual audited, consolidated financial statements for Zenith and its subsidiaries prepared in accordance with Generally Accepted Accounting Principles in the United States; and quarterly unaudited financial statements prepared in a consistent manner. The foregoing financial statements would be provided to holders of the Capital Securities in lieu of the reports Zenith currently files with the Securities and Exchange Commission and which are provided to holders of the Capital Securities under the existing indenture. If the

acquisition of Zenith by Fairfax closes, Zenith will become an indirect wholly owned subsidiary of Fairfax and Zenith intends to suspend its reporting obligations under the Securities Exchange Act and, following the successful completion of the consent solicitation, will cease filing reports with the Securities and Exchange Commission. If the requisite consents are not obtained or the other conditions to the consent solicitation are not satisfied or waived, including the merger with Fairfax, Zenith will continue to provide the reports that are required to be delivered under the existing indenture to holders of the Capital Securities.

The consent solicitation requires consents from holders of at least a majority in aggregate liquidation amount outstanding of the Capital Securities and will expire at 5:00 p.m., Eastern time, on May 26, 2010, unless earlier terminated or extended (the "Expiration Time").

Subject to the terms and conditions of the consent solicitation, Zenith will make a cash payment of \$2.00 per \$1,000 liquidation amount of Capital Securities for which the holder has validly delivered (and not validly revoked) a consent prior to the Expiration Time. Zenith will not be obligated to make any payments if the requisite consents are not obtained prior to the Expiration Time or the other conditions to the consent solicitation are not satisfied or waived, including the completion of the merger with Fairfax.

For a complete statement of the terms and conditions of the consent solicitation, holders of the Capital Securities should refer to the consent solicitation statement, dated as of May 17, 2010, which is being sent to all holders of the Capital Securities.

The Solicitation Agent in connection with the consent solicitation is BofA Merrill Lynch. Questions regarding the consent solicitation may be directed to BofA Merrill Lynch, Attention: Debt Advisory Services at (888) 292-0070 (toll free) or (980) 388-4603 (collect). D. F. King & Co., Inc. is serving as Tabulation Agent in connection with the consent solicitation. Requests for assistance in delivering consents or for additional copies of the consent solicitation statement should be directed to the Tabulation Agent at (800) 967-4612 (toll free) or 212-269-5550 (banks and brokers).

This announcement is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of consents with respect to any securities. The consent solicitation is being made solely by the consent solicitation statement and is subject to the terms and conditions stated therein. Zenith reserves the right to modify the consent solicitation statement or to terminate the consent solicitation.

About Zenith

Zenith National Insurance Corp., a Delaware corporation incorporated in 1971, is a holding company engaged, through its wholly owned subsidiaries, Zenith Insurance Company and ZNAT Insurance Company, in the workers' compensation insurance business, nationally.

Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements if accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed. Statements containing words such as expect, anticipate, believe, estimate, likely or similar words that are used herein or in other written or oral information conveyed by or on behalf of Zenith are intended to identify forward-looking statements. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on Zenith. Such forward-looking statements are not guarantees of future events. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors: (i) litigation with respect to the merger could delay or prevent the closing of the merger; (ii) the parties may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; (iii) the parties may be unable to complete the merger because, among other reasons, conditions to the closing of the merger may not be satisfied or waived; (iv) possible disruptions from the merger may make it more difficult to maintain business and operational relationships; (v) developments beyond the parties' control, including but not limited to, changes in domestic or global economic conditions, competitive conditions and consumer preferences, adverse weather conditions or natural disasters, health concerns, international, political or military developments and technological developments; and (vi) the "risk factors" and other factors referred to in Zenith's reports filed with or furnished to the Securities and Exchange Commission. There can be no assurance that other factors not currently anticipated by Zenith will not materially and adversely affect future events. Investors and stockholders are cautioned not to place undue reliance on any forward-looking statements made by or on behalf of Zenith. Forward-looking statements speak only as of the date they are made. Zenith does not undertake any obligation to update or revise any forward-looking statement.