STATE OF CONNECTICUT

INSURANCE DEPARTMENT

NOTICE OF PUBLIC HEARING
CONCERNING THE PROPOSED ACQUISITION OF CONTROL OF
PXRE REINSURANCE COMPANY, a Connecticut domiciled reinsurance company
by
ARGONAUT GROUP, INC., a Delaware holding company

Notice is hereby given that the Insurance Commissioner of the State of Connecticut will conduct a public hearing on July 6, 2007 at 10:00 a.m. in room 701 at the Connecticut Insurance Department, 7th Floor, 153 Market Street, Hartford, CT. The hearing will be conducted pursuant to sections 38a-129 through 38a-140, 4-166 through 4-184, as applicable, of the Connecticut General Statutes; and sections 38a-8-1 through 38a-8-104, and 38a-138-1 through 38a-138-16, as applicable, of the Regulations of the Connecticut State Agencies. The hearing will include a period devoted exclusively to public comment. Persons interested in being designated a party or intervenor should consult sections 38a-8-48 and 38a-8-49 of the Regulations of the Connecticut State Agencies.

The public hearing is being held on the question of granting approval pursuant to section 38a-132(b)(1) of the Connecticut General Statutes of the application filed by **ARGONAUT GROUP, INC.**, (the "Applicant"), a Delaware holding company dated April 11, 2007 as amended and restated (the "Application"). The Application requests the Insurance Commissioner's approval, as required by section 38a-130 of the Connecticut General Statutes, of the proposed acquisition of control of **PXRE REINSURANCE COMPANY**, ("Domestic Insurer") a Connecticut domiciled insurance company.

The proposed acquisition of control of PXRE REINSURANCE COMPANY, if approved, will be effected pursuant to a Merger Agreement by and among PXRE REINSURANCE COMPANY, PXMS INC., ("Merger Sub") a Delaware corporation and wholly-owned subsidiary of PXRE GROUP LTD., ("PXRE") a Bermuda publicly–traded holding company to be renamed ARGO GROUP INTERNATIONAL HOLDINGS, LTD., ("ARGO") and ARGONAUT GROUP, INC, dated as of March 14, 2007 (the "Agreement"). The Domestic Insurer is a wholly-owned, indirect subsidiary of PXRE. The official record of this proceeding, which includes a copy of the Application and the Agreement, is on file with the Connecticut Insurance Department, 153 Market Street, 7th floor, Hartford, Connecticut, and is available for public inspection during regular business hours.

At the public hearing, representatives of the Applicant, Domestic Insurer, Merger Sub, PXRE as well as any other party or intervenor designated by the Insurance Commissioner pursuant to sections 38a-8-48 and 38a-8-49 of the Regulations of the Connecticut State Agencies, and his appointed hearing officer, will appear and be heard concerning the consideration by the Insurance Commissioner of the Application. The public will, at the hearing officer's discretion and in accordance with section 4-177c(b) of the Connecticut General Statutes, be given an opportunity to comment on the Application with respect to the issues to be considered by the Insurance Commissioner. Written statements may also be submitted during the public comment portion of the public hearing or filed with the Insurance Department prior to the close of business on July 2, 2007, by mailing or delivering such statements to the Connecticut Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attention: N. Beth Cook, Esq.

The Insurance Department does not discriminate on the basis of disability in admission to, access to, or operation of its programs, services or activities, in accordance with Title II of the Americans with Disabilities Act of 1990. Individuals requiring auxiliary aids for communication or other accommodation are invited to make their needs known to Patti Tiberio at (860) 297-3932.

Dated at Hartford, Connecticut, this 13th day of June, 2007.

Thomas R. Sullivan
Insurance Commissioner