**The Navigators Group, Inc.**

**CORPORATE NEWS**

**Navigators Second Quarter Operating Earnings up 31%,**

Net Income up 14%

**Stamford, CT – August 6, 2015 -- The Navigators Group, Inc. (NASDAQ:NAVG)** reported net income of $19.2 million, or $1.30 per diluted share, for the three months ended June 30, 2015 compared to $16.9 million, or $1.17 per diluted share, for the comparable period in 2014. Operating earnings were $19.7 million, or $1.34 per diluted share, for the three months ended June 30, 2015 compared to $15.0 million, or $1.04 per diluted share, for the comparable period in 2014.

For the six months ended June 30, 2015, the Company reported net income of $45.1 million, or $3.06 per diluted share compared to $44.8 million, or $3.11 per diluted share, for the comparable period in 2014. 2014 results included a one-time foreign exchange gain of $10.0 million ($6.6 million after-tax) due to a change in the functional currency of our Lloyd’s Syndicate, which was equally offset by a reversal within the Accumulated Other Comprehensive Income component of stockholders’ equity. Excluding this gain, the six months ended June 30, 2014 net income per diluted share would have been $2.66. Operating earnings were $40.6 million, or $2.76 per diluted share, for the six months ended June 30, 2015 compared to $35.9 million, or $2.49 per diluted share, for the comparable period in 2014. The one-time foreign exchange gain discussed above had no impact on operating earnings.

Gross written premiums and net written premiums for the three months ended June 30, 2015 were $379.5 million and $258.2 million, respectively, an increase of 8.8% and 11.4% from the comparable period in 2014.

Gross written premiums and net written premiums for the six months ended June 30, 2015 were $775.9 million and $547.2 million, respectively, each an increase of 0.6% from the comparable period in 2014.

The combined ratio for the three and six months ended June 30, 2015 was 93.4% and 92.8%, respectively, compared to 95.3% and 93.8% for the comparable periods in 2014.

Stan Galanski, President and Chief Executive Officer commented, “We are pleased to report another quarter of solid performance. We generated profitable underwriting results in each of our three underwriting segments, specifically with strong profit contribution from our US and International Marine units and overall Global Re. Despite challenging competitive conditions in a number of specialty niches, mostly notably the first-party energy product lines, we achieved double digit net premium growth, led by strong growth in our U.S. Primary and Excess Casualty units.”

Stockholders’ equity was $1,053.6 million, or $73.18 per share, as of June 30, 2015 compared to $1,027.2 million, or $71.93 per share, as of December 31, 2014.

Net investment income for the three and six months ended June 30, 2015 was $16.6 million and $32.8 million, respectively, an increase of 6.1% and 1.8% from the comparable periods in 2014. The annualized pre-tax investment yield, excluding net realized gains and losses and other-than-temporary impairment losses recognized in earnings, was 2.4% for the three and six months ended June 30, 2015, compared to 2.5% and 2.6%, respectively for the comparable periods in 2014.

The Company’s investment portfolio mainly consists of fixed income securities with an average quality rating of “AA/Aa” as defined by Standard & Poor’s and Moody’s, respectively, and an average effective duration of 3.8 years as of June 30, 2015. As of June 30, 2015, net unrealized gains within our investment portfolio were $38.0 million, a decrease of $33.4 million compared to December 31, 2014.

There were $3.9 million of net realized gains recognized in earnings for the three months ended June 30, 2015, compared to $4.5 million for the same period in 2014. For the six months ended June 30, there were $9.5 million of net realized gains, compared to $5.3 million for the same period in 2014.

Other income (loss) for the three months ended June 30, 2015 was ($4.4 million), compared to ($1.7 million) for the same period in 2014, each primarily consisting of a net foreign exchange loss. For the six months ended June 30, 2015 other income (loss) was ($2.1 million), primarily consisting of net foreign exchange, compared to $8.7 million in the same period in 2014; largely impacted by a one-time foreign exchange gain in the first quarter of 2014.

The Company will hold a conference call on Friday, August 7, 2015 starting at 8:30 a.m. ET to discuss the 2015 second quarter results. The call will be available via live webcast on Navigators’ website ([www.navg.com](http://www.navg.com)).

To participate by telephone, the domestic dial-in number is (888-240-9373) and the international dial-in is (913) 312-0956. Participants may connect to the webcast at:

[http://edge.media-server.com/m/p/3h9rmgcb](http://www.globenewswire.com/Tracker?data=dPo1ME5D1X4bpHH2EwRpHMruiGLBsL5Z7KJSAhOg8z4_rh4sFWe8ckGIsubrmZXpgiIDlhN15ce28C0lbqLJdZSb61GvM511ENvaKoUAlrxutnUia29mC2yqDWbbVKcTujMt8CrxDCQUPwKYyLE6Ka9Fvc90H4n3PZzosn0QjTRNzX2yzXhQUv9xGuNwUh84mJelTGr3N6AqpTDot-5ER7rIF4R5pMJOhDl6alZphrL9mSDzIa4JaJNne-SfoVbaXsDbx2FitojAk1pFj6zXTKpbc9WdIOIdLgAjrRnwCQFWqpnaSRyaS3Kb1aSNpZXFCxvDRKNL0U4M-M-axwXim0kxkVlP4-TUUzELkD2_5PKaChITjfCnx2uv0lE9s0CG)

Net operating earnings, or net income excluding after-tax net realized gains (losses), after-tax net other-than-temporary impairment losses recognized in earnings, and after-tax foreign exchange gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity’s functional currency) and translation adjustments (translation of foreign currency denominated assets and liabilities into the entity’s functional currency), is a non-GAAP financial measure that is a common performance measurement for insurance companies. We believe this presentation enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business.

The Navigators Group, Inc. is an international specialty insurance holding company with insurance company operations, underwriting management companies and operations at Lloyd's. Navigators has offices in the United States, the United Kingdom and Continental Europe, as well as representative offices in China and Brazil.

This press release may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Whenever used in this release, the words “estimate”, “expect”, “believe” or similar expressions are intended to identify such forward-looking statements. Forward-looking statements are derived from information that we currently have and assumptions that we make. We cannot assure that results that we anticipate will be achieved, since results may differ materially because of known and unknown risks and uncertainties that we face. Please refer to Navigators’ most recent reports on Forms 10-K and 10-Q and its other filings with the Securities and Exchange Commission for a description of Navigators’ business and the important factors that may affect that business. Navigators’ undertakes no obligation to publicly update or revise any forward-looking statement.

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