



NEWS RELEASE

For immediate release

Contact: Brian D. Young
Hudson Insurance Group
212-978-2800

Hudson Insurance Group Announces Expansion of its Financial Products Unit

Stamford, CT – January 12, 2009 – Hudson Insurance Group (“Hudson”), the U.S. Insurance division of Odyssey Re Holdings Corp. (NYSE: ORH), today announced the opening of two new regional offices, in San Francisco, CA and Chicago, IL, which will provide insurance agents, brokers and their clients with local access to management liability insurance coverage. Both offices will report to James J. Hooghuis, Executive Vice President and Chief Underwriting Officer of Hudson Financial Products.

Paul J. Parelo has joined Hudson Financial Products as Vice President, and will oversee underwriting operations in the Chicago office, located at 20 N. Wacker Drive. Mr. Parelo has over ten years of experience in underwriting directors and officers liability coverage, most recently with National Union (AIG).

Ryan Kosakura has joined Hudson Financial Products as Vice President, and will be responsible for underwriting operations in the San Francisco office, located at 101 California Street. Mr. Kosakura, a Certified Public Accountant, has over 15 years of related financial and insurance experience, most recently as a Managing Director with Carpenter Moore.

Brian D. Young, Chief Executive Officer of Global Insurance Operations, stated "We are delighted with our recruiting and expansion efforts. The opening of two new Hudson Financial Products offices in these strategically important locations enhances Hudson's ability to service the needs of our clients."

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Hudson Insurance Group is the U.S. Insurance division of Odyssey Re Holdings Corp. ("OdysseyRe"), a leading worldwide underwriter of property and casualty reinsurance and specialty insurance with nearly \$3 billion in policyholders' surplus. Hudson Insurance Group provides admitted and non-admitted insurance, predominantly through Hudson Insurance Company and Hudson Specialty Insurance Company, both rated "A" (Excellent) XV by A.M. Best Company. Hudson Insurance Group specializes in primary and excess insurance coverages through Hudson Programs, Hudson Healthcare, Hudson Financial Products, Hudson Environmental and Hudson Crop.

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OdysseyRe is traded on the NYSE under the symbol "ORH," and operates through its subsidiaries Odyssey America Reinsurance Corporation, Hudson Insurance Company, Hudson Specialty Insurance Company, Clearwater Insurance Company, Newline Underwriting Management Limited, Newline Asia Services Pte. Ltd. and Newline Insurance Company Limited, underwriting through offices in the United States, London, Paris, Singapore, Toronto and Latin America.

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Certain statements contained herein may constitute forward-looking statements and are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: a reduction in net income if the Company's loss reserves are insufficient; the occurrence of catastrophic events with a frequency or severity exceeding the Company's estimates; the lowering or loss of one of the Company's financial or claims-paying ratings, including those of the Company's subsidiaries; an inability to realize the Company's investment objectives; a decrease in the level of demand for the Company's reinsurance or insurance business, or increased competition; emerging claim and coverage issues; risks relating to ongoing investigations by U.S. government authorities; the risk that ongoing regulatory developments will disrupt the Company's business or mandate changes in industry practices that increase the Company's costs; changes in economic conditions, including interest rate, currency, equity and credit conditions; the Company's inability to access its subsidiaries' cash; loss of services of any of the Company's key employees; risks related to the Company's use of reinsurance brokers; failure of the Company's reinsurers to honor their obligations; regulatory and legislative changes; risks associated with the growth of the Company's specialty insurance business; and other factors that are described in the Company's filings with the Securities and Exchange Commission. Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.