

12 September 2003

**ARC RISK MANAGEMENT GROUP PLC
(AIM)**

ARC AWARDED CONTRACT WITH HISCOX PLC

The Board of ARC Risk Management Group Plc, is pleased to announce that it has been awarded a contract with Hiscox plc, the UK's leading specialist insurer, for the provision of ARC's red²⁴™ security products to its private clients.

Today's announcement follows an earlier agreement with HSBC Bank plc, announced by the Company on 8 September 2003, and reflects the strong interest in the Company's security products.

Hiscox recognises the benefit of providing a value-added security service for their clients, particularly in the current environment of heightened security awareness. Under the terms of the contract, red²⁴™ cover will be automatically provided to an initial minimum of 30,000 private clients. These clients will enjoy a 24 hour, 365 days a year telephony and web-based communication facility with security experts who can provide them with guidance and advice on domestic and worldwide security risks.

Hiscox is one of the UK's largest insurance companies, providing innovative insurance solutions to individuals and businesses worldwide. From homes to film production, terrorism to fine art – the Company's areas of expertise are diverse, and often unusual.

Rob Whiting, ARC's Chief Executive, commented: *"Today's contract, which follows on from our recently announced agency agreement with HSBC, is further confirmation of our growing position and credibility in the security services market. It acknowledges the value of our unique service, which is well positioned to provide real value against a backdrop of increased personal anxiety over security issues. Hiscox is one of the leading specialist insurers around the world and we are confident of developing a strong and mutually beneficial relationship going forward."*

ENDS

Enquiries:

Barnes and Walters Limited
Dominic Barretto

Tel: 020 7430 1600

Notes to Editors

ARC Risk Management Group Plc:

ARC Risk Management Group Plc is a British company, listed on the Alternative Investment Market (AIM) of the London Stock Exchange, providing security risk management services on a worldwide basis. ARC's range of products are targeted at both individuals and companies and offer banks, insurance companies, multi-national companies and government agencies a highly innovative and proven solution to the security related issues they and their customers are currently facing.

The trademarked red24™ service is targeted at individuals offering clients the option of telephony or web-based communication with security experts who can provide them with guidance and advice on worldwide security risks, and an insured response for those with the enhanced red24™ Alert service.

ARC has a team of intelligence analysts complimented by security professionals who provide, support and maintain the information 24 hours a day, 365 days a year. The service currently covers over 125 countries.

ARC provides a pro-active and crisis management response service to the insurance industry for the provision of 24 hour world-wide pre-incident and response services covering Product contamination and recall and Kidnap & Ransom. It complements this with specialist work covering a broad spectrum of special risks such as sabotage and terrorism, crisis management, security audits and other related consultancy services to a wide range of clients.

ARC provides formal training for security management personnel worldwide. The training courses (provided either "In-House" or via "Open Courses" in the UK) cover a broad range of spectrum such as bomb threats, business travel, IT, fraud, crisis management, kidnap and ransom, investigations, strategic security management and asset protections. It is now acknowledged as the foremost UK based international security management training operation.

<http://www.arcrisk.com>

<http://www.red24.info>

Hiscox is the UK's leading specialist insurer, providing innovative insurance solutions to individuals and businesses worldwide. The Company covers a diverse range of insurance services protection for homes, fine art collections, racehorses, or cover against kidnap & ransom.

Hiscox has a long history of insuring people's valuable possessions and varied lifestyles, and are leaders in this field. The Company's specialist range of business insurances also covers a broad spectrum from satellites to property, reinsurance to professional indemnity.