



OHIO INDEMNITY COMPANY RATINGS UPGRADED

COLUMBUS, Ohio (June 1, 2006) Bancinsurance Corporation today announced that the financial strength rating for Ohio Indemnity Company, a wholly-owned subsidiary, has been upgraded to A- (Excellent) by A.M. Best Company, the insurance industry's most authoritative rating and information source. Ohio Indemnity's issuer credit rating was also raised to "a-" from "bbb". Additionally, the outlook for both ratings has been revised to stable from negative.

John Sokol, President, stated, "We are pleased with A.M. Best's decision to upgrade Ohio Indemnity's financial strength and issuer credit ratings. It marks another important achievement in our commitment to return to business as usual, which we have been working toward during the past 16 months. Importantly, these ratings will enable us to continue implementing our focused growth strategy for our specialty insurance products".

About Bancinsurance Corporation

Bancinsurance Corporation, headquartered in Columbus, Ohio, is principally engaged through its property and casualty insurance subsidiary, Ohio Indemnity Company, in underwriting specialty insurance. Lender/dealer insurance products include our ULTIMATE LOSS INSURANCE[®], creditor placed insurance and guaranteed auto protection insurance products. These products protect banks and other lenders against risk arising from theft or damage to certain loan collateral where the borrower has failed to secure or maintain adequate insurance coverage. Unemployment compensation products are utilized by qualified entities that elect not to pay the unemployment compensation taxes and instead reimburse state unemployment agencies for benefits paid by the agencies to the entities' former employees. Other products include our waste surety bond business and run off of the discontinued bond program.

Forward-Looking Statements

Certain statements made in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, we may make other written or oral communications from time to time that contain forward-looking statements. Forward-looking statements convey our current expectations or forecast future events. All statements contained in this press release, other than statements of historical fact, are forward-looking statements. Forward-looking statements include statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations. The words "may," "continue," "estimate," "intend," "plan," "will," "believe," "project," "expect," "anticipate" and similar expressions generally identify forward-looking statements but the absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual results to differ materially from those statements. Risk factors that might cause actual results to differ from those statements include, without limitation, changes in underwriting results affected by adverse economic conditions, fluctuations in the investment markets, changes in the retail marketplace, changes in the laws or regulations affecting the operations of the Company, changes in the business tactics or strategies of the Company, implementation of the Company's focused growth strategy for its specialty insurance products, the financial condition of the Company's business partners, changes in market forces, litigation, developments in the discontinued bond program and related arbitrations, the ongoing SEC private investigation and the concentrations of ownership of the Company's common shares by members of the Sokol family, and other risk factors identified in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, any one of which might materially affect our financial condition and/or results of operations. Any forward-looking statements speak only as of the date made. We undertake no obligation to update any forward-looking statements to reflect events or circumstances arising after the date on which they are made.

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