



**BANCINSURANCE
CORPORATION**

FOR IMMEDIATE RELEASE

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**BANCINSURANCE CORPORATION ANNOUNCES
SUCCESSFUL COMPLETION OF TRUST PREFERRED ISSUE**

COLUMBUS, Ohio (December 4, 2002) Bancinsurance Corporation (NASDAQ: BCIS), a specialty insurance holding company, announced today that it raised \$8 million of capital through the issuance of floating rate trust preferred securities by BIC Statutory Trust I, a special purpose business trust subsidiary formed by Bancinsurance. The floating rate trust preferred securities were issued in connection with a pooled private placement offering. Keefe, Bruyette & Woods, Inc. and FTN Financial Capital Markets were the placement agents.

The floating rate trust preferred securities pay interest quarterly at a rate equal to 3-month LIBOR plus 400 basis points, are redeemable at par on or after December 4, 2007 and mature on December 4, 2032. Under the terms of the transaction, Bancinsurance has guaranteed the payments due under the floating rate trust preferred securities.

Bancinsurance President John S. Sokol stated that the proceeds will be used for general corporate purposes, which may include increasing the capital of Bancinsurance's property/casualty insurance subsidiary, Ohio Indemnity Company.

The floating rate trust preferred securities were issued pursuant to an exemption from registration under the Securities Act of 1933, as amended. Accordingly, these securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

Bancinsurance Corporation, headquartered in Columbus, Ohio, is principally engaged through its property/casualty insurance subsidiary, Ohio Indemnity Company, in underwriting specialty insurance. Lender insurance products and guaranteed auto protection 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. The Company's surety products include bonds for unemployment insurance servicing commitments for national administrative firms that perform services for non-profit organizations as well as bail bond coverage.

With the exception of historical information, this press release includes forward-looking statements that involve risks and uncertainties, including, but not limited to, items which have been detailed from time to time in the Company's Securities and Exchange filings, including the Company's Form 10-K for the year ended December 31, 2001. Actual results may differ materially from management's expectations. All forward-looking statements made in this news release are based on information presently available to management of the Company. The Company assumes no obligation to update any forward-looking statements.

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