

BRASIL INSURANCE PARTICIPAÇÕES E ADMINISTRAÇÃO S.A.

Corporate Taxpayers' Id. (CNPJ/MF): 11.721.921/0001-60

Publicly Held Company

MATERIAL FACT

Brasil Insurance Participações e Administração S.A. ("Company"), a publicly held company, whose common shares are traded on the Novo Mercado listing segment of the São Paulo Stock Exchange (Bovespa) under the ticker BRIN3, pursuant to CVM Rule 358/2002, announces to its shareholders and the market that, in line with its strategy of growth through acquisition of interest in insurance and reinsurance brokerages, it signed an agreement on March 28, 2011 acquiring the control of Classic Corretora de Seguros, the 29th brokerage of the Brasil Insurance Group. Classic Corretora, headquartered in São Paulo city and with extensive presence throughout Brazil, is an insurance brokerage specializing in bulk insurance, with a client portfolio of 6 million individuals, acquired through alliances with retail and financial chains. In 2010, it had insurance premiums of nearly R\$ 80 million.

Brasil Insurance will hold 99.99% of the capital of Classic Corretora. The acquisition price is R\$ 9.2 million plus three variable annual installments, calculated based on an earn-out structure that considers the future results of Classic Corretora. The total acquisition price is estimated at R\$ 19.4 million, of which 50% will be paid in cash and 50% as Brasil Insurance stock.

Pursuant to Article 256, Clause I of the Law of Corporations (Law 6,404/1976), the Company will submit this decision to the Extraordinary Shareholders' Meeting on April 29, 2011 for deliberation. Shareholders dissenting from the acquisition of Classic Corretora will have the right to withdraw from the Company. Only shareholders on record as of March 25, 2011, will be entitled to exercise their withdrawal rights and to capital reimbursement. The period for dissenting shareholders to inform the Company of their decision to withdraw is thirty days (30) days starting from the publication of the Minutes of the Extraordinary Shareholders' Meeting that will decide on this acquisition.

Rio de Janeiro, March 28, 2011

Bruno Padilha de Lima Costa

Chief Financial and Investor Relations Officer

About Brasil Insurance:

Brasil Insurance is a company that, when the acquisitions are approved, will have 29 brokerage firms, each founded by brokers with significant experience and an average of 19 years of activity in the insurance or insurance brokerage markets. Our brokerage companies sell a broad range of insurance products, including health, auto and high risks insurance, among others, and have 34 offices located in nine states in Brazil, serving customers across the country. The main activity of our brokerage companies is insurance brokerage, and their revenues derive principally from commissions paid by insurers and health plan operators on sales of insurance policies. Insurance brokerage firms broker the sale of insurance policies, without being subject to any of the risks covered by such insurance policies.