



FOR IMMEDIATE RELEASE

**Hallmark Financial Services, Inc.
Promotes James A. Damonte**

FORT WORTH, Texas, (April 20, 2010) - Hallmark Financial Services, Inc. (NASDAQ: HALL) today announced the promotion of James A. Damonte to serve as President of its Heath XS, LLC subsidiary. Mr. Damonte will have responsibility for the day-to-day operations and future direction of Heath XS. Mr. Damonte assumes the role of President from Jeffrey L. Heath, who has been the President of Heath XS since its inception.

Mr. Heath founded Heath XS in 1991 and has over 30 years experience in the underwriting, marketing and executive management of excess casualty insurance products. Under his leadership, Heath XS grew from a start-up independent managing agency into a leading distributor of commercial excess and umbrella products throughout the United States. Mr. Heath remains a minority owner of Heath XS and will continue to work for Hallmark in an executive advisory role.

Mr. Damonte will immediately begin working with Mr. Heath to transition into his role as President of Heath XS. Prior to joining Heath XS in 2004, Mr. Damonte had since 2003 been employed by A and H Insurance, Inc., an independent retail insurance group, where he served as a commercial insurance producer. In 1999, Mr. Damonte started his career with General Reinsurance Corporation, a global reinsurance company, as a facultative underwriter, in charge of a portion of the Western United States, handling both individual risk and program reinsurance.

About Heath XS:

Heath XS, LLC, is a majority owned subsidiary of Hallmark Financial Services, Inc., offering small and middle market commercial umbrella and excess liability insurance on both an admitted and non-admitted basis, focusing primarily on trucking, specialty automobile, and non-fleet automobile coverage. Heath XS markets its products through wholesale brokers and writes business on a nationwide basis.

About Hallmark:

Hallmark Financial Services, Inc. is an insurance holding company which, through its subsidiaries, engages in the sale of property/casualty insurance products to businesses and individuals. Hallmark's business involves marketing, distributing, underwriting and servicing commercial insurance, personal insurance and general aviation insurance, as well as providing other insurance related services. The Company is headquartered in Fort Worth, Texas and its common stock is listed on NASDAQ under the symbol "HALL."

For further information, please contact:

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www.hallmarkgrp.com