



FOR: **DCAP Group, Inc. - NASDAQ: DCAP**
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DCAP Subordinated Debtholders Extend Maturity Date

Hewlett, NY—June 1, 2005 – DCAP Group, Inc. (NASDAQ: DCAP) announced today that the holders of its \$1,500,000 subordinated debt have agreed to extend the maturity date of the debt from January 10, 2006 to September 30, 2007. The debt extension was given to satisfy a requirement of Manufacturers and Traders Trust Co. (“M&T”), the Company’s premium finance lender, that arose in connection with the recent increase in M&T’s revolving line of credit to \$25,000,000 and the extension of the line to June 30, 2007. In consideration for the extension of the due date for the subordinated debt, the Company extended the expiration date of warrants held by the debtholders for the purchase of 97,500 shares of common stock from January 10, 2006 to September 30, 2007.

About DCAP Group

DCAP Group, Inc. owns and operates the largest chain of independent storefront insurance agencies in the Northeast. Through DCAP Insurance, Barry Scott Insurance and Atlantic Insurance Agency, DCAP Group provides automobile insurance (and to a lesser extent, motorcycle and homeowners), enhanced by complimentary premium financing capabilities, to retail customers in New York, New Jersey, and Pennsylvania. Other products include automobile club service for roadside emergencies and income tax preparation services. As of May 15, 2005, DCAP had 69 owned or franchised storefront locations.



Forward Looking Statements

Statements in this press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements involve risks and uncertainties that could cause actual results to differ materially from those included in forward-looking statements due to a variety of factors. More information about these factors can be found in DCAP’s latest Annual Report filed with Securities and Exchange Commission on Form 10-KSB. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.