



Enstar and Stone Point Capital Announce Exchange Transaction Involving Atrium and StarStone U.S.

August 14, 2020

HAMILTON, Bermuda, Aug. 14, 2020 (GLOBE NEWSWIRE) -- Enstar Group Limited (NASDAQ: ESGR) ("Enstar") today announced an exchange agreement with Trident V, L.P. and its affiliated funds (the "Trident V Funds") managed by Stone Point Capital LLC ("Stone Point"). Subject to regulatory approvals, the transaction will result in Enstar owning a greater share in StarStone U.S. Holdings, Inc. ("StarStone U.S.") and the Trident V Funds owning a greater share in the holding company for Atrium Underwriting Group Limited ("Atrium").

The transaction is conditioned upon the closing of the previously announced recapitalization of StarStone U.S., pursuant to which a new management team and Board of Directors will be appointed and new investors will be brought in to increase its total equity capitalization to over \$850 million, with an Enstar subsidiary reinsuring legacy reserves.

In the exchange, Enstar will acquire all of the Trident V Funds' interest in the recapitalized StarStone U.S., resulting in Enstar having approximately 26% of the ownership of StarStone U.S. following the completion of the recapitalization and exchange transactions.

The Trident V Funds will receive a portion of Enstar's indirect interest in Northshore Holdings Ltd., the holding company for Atrium, increasing their indirect ownership interest in Atrium from approximately 36% to approximately 80%, with Enstar decreasing from approximately 54% to approximately 11% and retaining one Northshore Holdings board seat. Members of Atrium's management team and funds managed by Dowling Capital ("Dowling") will continue to own minority positions in Northshore Holdings.

Enstar, the Trident V Funds and Dowling will retain their respective ownership interests in StarStone's non-US operations ("StarStone International"), partnering in the run-off of this business.

The Trident V Funds continue to own approximately 9% of Enstar Group Limited's ordinary voting shares.

Dominic Silvester, Enstar's Chief Executive Officer, said: "This transaction deepens our successful relationship with Stone Point, which has been a valued partner of Enstar for two decades. Enstar is ideally placed to capitalize on the increasing flow of large, attractive legacy opportunities, and will remain invested in high-quality live underwriting businesses with proven leadership, such as Atrium and StarStone U.S., through meaningful minority stakes and alongside trusted equity partners."

Chuck Davis, Stone Point's Chief Executive Officer, said: "We are delighted to increase our investment in Atrium. The company is led by an outstanding management team that has a long-term track record of producing underwriting profits. We also value our long-standing relationship with Dominic Silvester and his colleagues at Enstar, and we look forward to continuing our existing partnerships and identifying new opportunities for Enstar and Stone Point."

Richard Harries, Atrium's Chief Executive Officer, added: "Atrium has thrived under the joint ownership of Enstar and Stone Point. This change, which will have no operational impact on Atrium, is a further vote of confidence in the Atrium team. I am pleased that Enstar will retain an ownership interest in Atrium, and we welcome the increased participation of Stone Point, whose management team we know well, as we pursue our strategic goals in an increasingly improving underwriting environment."

About Enstar

Enstar is a NASDAQ-listed leading global insurance group that offers innovative capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe, Australia, and other international locations. A market leader in completing legacy acquisitions, Enstar has acquired over 100 companies and portfolios since its formation in 2001. For further information about Enstar, see www.enstargroup.com.

About Stone Point

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised and managed eight private equity funds – the Trident Funds – with aggregate committed capital of more than \$25 billion. Stone Point targets investments in companies in the global financial services industry and related sectors. For further information about Stone Point, please visit www.stonepoint.com.

About StarStone U.S.

StarStone U.S. offers a diversified range of property and casualty insurance products for small to mid-sized businesses. From eight underwriting offices spanning the U.S., StarStone U.S. focuses on niche markets, local distribution, and superior underwriting knowledge, offering traditional as well as innovative insurance solutions to meet the needs of its customers and brokers. StarStone U.S. is an insurance holding company operating through StarStone Specialty Insurance Company, a U.S. excess and surplus lines insurer, and StarStone National Insurance Company, a U.S. admitted markets insurer. StarStone is rated A- (Excellent) by A.M. Best. For further information about StarStone U.S., please visit www.starstone.com/u-s-overview/.

About Atrium

Atrium is a long-established, leading specialist insurance and reinsurance business that has operated within the Lloyd's market since the 1930s. Underwriting through Syndicate 609, Atrium manages a balanced portfolio, offering a wide range of specialist marine, energy, aerospace, non-marine and liability classes from its offices in London and the United States.

For further information about Atrium, please visit www.atrium-uw.com.

Cautionary Statement

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar, Stone Point, Atrium and their respective management teams. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. In particular, Enstar and Stone Point may not be able to complete the proposed transaction on the terms summarized above or other acceptable terms, or at all, due to a number of factors, including but not limited to the failure to obtain governmental and regulatory approvals, failure to consummate the StarStone U.S. recapitalization, or to satisfy other closing conditions. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in our Form 10-K for the year ended December 31, 2019 and in our Form 10-Q for the six months ended June 30, 2020 and are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.

Contact: Enstar Communications

Telephone: +1 (441) 292-3645



Source: Enstar Group Limited