



December 15, 2016

Enstar Launches Reinsurer KaylaRe

- | KaylaRe Brings Together Leading Insurance Management and Investment Management Capabilities
- | Significant Investments From Enstar, Hillhouse and Stone Point
- | Nick Packer Appointed as KaylaRe's Chief Executive Officer
- | Enstar and StarStone Announce Management Changes

HAMILTON, Bermuda, Dec. 15, 2016 (GLOBE NEWSWIRE) -- Enstar Group Limited (NASDAQ:ESGR) ("Enstar") announced today the launch of KaylaRe Ltd. ("KaylaRe"), a Bermuda-based, Class 4 reinsurer offering a diversified range of specialty reinsurance to the global insurance market.

KaylaRe launches with initial capital of \$620 million, backed by a \$300 million investment from Enstar; \$270 million from funds managed by Hillhouse Capital Management, Ltd., a leading global investment manager with over \$25 billion in assets under management ("Hillhouse"); and \$50 million from funds managed by Stone Point Capital LLC, a financial services-focused private equity firm with aggregate committed capital of approximately \$13 billion ("Stone Point").

KaylaRe aims to deliver superior risk-adjusted returns over market cycles through a diversified asset allocation and selective underwriting. KaylaRe has entered into a 35% quota share agreement with StarStone, Enstar's global underwriting subsidiary, and loss portfolio transfer agreements with Enstar for certain legacy business. Over time, KaylaRe expects to develop and opportunistically write third-party premium, and to participate in certain future Enstar legacy transactions.

Enstar and Hillhouse will act as the exclusive reinsurance manager and the primary investment manager to KaylaRe, respectively. KaylaRe will also engage other investment managers.

In connection with the launch of KaylaRe, **Nick Packer**, a co-founder of Enstar, has been appointed Chief Executive Officer of KaylaRe. Packer brings nearly 30 years of industry experience to KaylaRe. He has served as Enstar's Executive Vice President and Joint Chief Operating Officer since 2001 and StarStone's Executive Chairman and Chief Executive Officer since 2014. Packer will remain on the StarStone board as a non-executive director.

Dominic Silvester, Enstar's Chief Executive Officer, said, "KaylaRe brings Enstar together with partners Hillhouse and Stone Point to create a unique global reinsurer. KaylaRe has great performance potential, and a dynamic and proven leader in Nick Packer, who has been a core contributor to Enstar's growth and success. He has shown tremendous commitment to our investment in KaylaRe, and, while he will be greatly missed at Enstar, I look forward to working closely with him in his new role."

Nick Packer said, "KaylaRe is a differentiated total return reinsurer, and it is an honour to lead this company from its inception. Through Enstar, we have long-term access to a high-quality, diversified portfolio of low volatility specialty insurance risks and supporting infrastructure. Further, the additional investment and support of Hillhouse and Stone Point provide KaylaRe with the capability to create substantial incremental value for shareholders through market cycles."

With the launch of KaylaRe, Enstar is also today announcing several management changes, effectively immediately:

Paul O'Shea has been named as President of Enstar and Executive Chairman of StarStone. O'Shea, a co-founder of Enstar, has served as Executive Vice President and Joint-Chief Operating Officer and a member of Enstar's Board of Directors since 2001, and he has been primarily responsible for mergers and acquisitions at the company.

Orla Gregory has been appointed Chief Operating Officer of Enstar. Gregory has served as Chief Integration Officer since 2015. Previously, she served as Executive Vice President, Mergers and Acquisitions, and has held various other senior roles in her 13-year career with Enstar.

Paul Brockman and **David Atkins** will take on broader responsibility for Enstar's core insurance and legacy activity, including oversight of claims, commutations, and ceded reinsurance. Brockman, Chief Executive Officer of Enstar US, joined Enstar in 2012 and previously served as US President and Chief Operating Officer and Head of Commutations. Atkins, Chief Executive Officer of Enstar EU and Global Head of Claims, has been with Enstar since 2003.

Demian Smith has been named Group Chief Executive Officer of StarStone. Smith most recently served as CEO of

StarStone's International segment and Chairman of its underwriting committee. Additionally, **David Message** has been named Chief Underwriting Officer of StarStone.

Mr. Silvester said, "I am pleased to announce these appointments today, which signal the robust capabilities, diverse industry experience and collective strength of Enstar's leadership team. I look forward to working with this talented group as we lead Enstar toward further growth and success."

About Enstar

Enstar is a multi-faceted insurance group that offers innovative capital release solutions and specialty underwriting capabilities through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe, Australia, and other international locations. Enstar is a market leader in completing legacy acquisitions, having acquired 75 companies and portfolios since its formation in 2001. Enstar's active underwriting businesses include the StarStone group of companies, an A- rated global specialty insurance group with multiple global underwriting platforms, and the Atrium group of companies, which manage and underwrite specialist insurance and reinsurance business for Lloyd's Syndicate 609. For further information about Enstar, see www.enstargroup.com.

About KaylaRe

KaylaRe Ltd. is a Bermuda-based reinsurer offering a diversified range of specialty reinsurance solutions to the global insurance market. Launched in December 2016 with \$620 million of capital, KaylaRe is a registered Class 4 Insurer with the Bermuda Monetary Authority, and a wholly-owned subsidiary of KaylaRe Holdings Ltd. KaylaRe sources reinsurance business primarily from Enstar and its subsidiaries. Through Enstar, KaylaRe has long-term access to a high-quality, diversified portfolio of low volatility specialty insurance risks and supporting infrastructure. KaylaRe's invested assets are managed by a select group of established global investment managers including Hillhouse Capital Management, Ltd.

About Hillhouse

Hillhouse Capital Management, Ltd. is a leading investment management firm. Founded by Lei Zhang in 2005, Hillhouse invests with a long-term time horizon and employs a fundamental, bottom-up approach. Independent proprietary research is key to its investment process. Hillhouse focuses on the consumer, TMT, industrials and healthcare sectors and invests in companies across all equity stages. Hillhouse manages capital for institutional clients such as university endowments, foundations, sovereign wealth funds, pensions and family offices.

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 six private equity funds — the Trident Funds — with aggregate committed capital of approximately \$13 billion. Stone Point targets investments in the global financial services industry, including investments in companies that provide outsourced services to financial institutions, banks and depository institutions, asset management firms, insurance and reinsurance companies, insurance distribution and other insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies. For further information about Stone Point, see www.stonepoint.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 and its management team. 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. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2015 and Form 10-Q for the quarterly period ended September 30, 2016, 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: Mark Smith
Telephone: +1 (441) 292-3645