UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024
Commission File Number 001-33289

ENSTAR GROUP LIMITED

(Exact name of Registrant as specified in its charter)

BERMUDA	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

A.S. Cooper Building, 4th Floor, 26 Reid Street, Hamilton HM 11, Bermuda
(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: **(441) 292-3645**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Ordinary shares, par value $1.00 per share	ESGR	The NASDAQ Stock Market LLC
Depositary Shares, Each Representing a 1/1,000th Interest in a 7.00% Fixed-to-Floating Rate Perpetual Non-Cumulative Preferred Share, Series D, Par Value $1.00 Per Share	ESGRP	The NASDAQ Stock Market LLC
Depositary Shares, Each Representing a 1/1,000th Interest in a 7.00% Perpetual Non-Cumulative Preferred Share, Series E, Par Value $1.00 Per Share	ESGRO	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As at July 30, 2024, the registrant had outstanding 15,231,654 voting ordinary shares, par value $1.00 per share.

Enstar Group Limited
Quarterly Report on Form 10-Q
For the Period Ended June 30, 2024
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GLOSSARY OF KEY TERMS

A&E	Asbestos and environmental
Acquisition costs	Costs that are directly related to the successful efforts of acquiring new insurance contracts or renewing existing insurance contracts, and which principally consist of incremental costs such as: commissions, brokerage expenses, premium taxes and other fees incurred at the time that a contract or policy is issued.
ADC	Adverse development cover – A retrospective reinsurance arrangement that will insure losses in excess of an established reserve and provide protection up to a contractually agreed amount.
Adjusted RLE	Adjusted run-off liability earnings - Non-GAAP financial measure calculated by dividing adjusted prior period development by average adjusted net loss reserves. See “Non-GAAP Financial Measures” for reconciliation.
Adjusted ROE	Adjusted return on equity - Non-GAAP financial measure calculated by dividing adjusted operating income (loss) attributable to Enstar ordinary shareholders by adjusted opening Enstar ordinary shareholders’ equity. See “Non-GAAP Financial Measures” for reconciliation.
Adjusted Term SOFR	Adjusted forward-looking term rate based on the Secured Overnight Financing Rate.
Adjusted TIR	Adjusted total investment return - Non-GAAP financial measure calculated by dividing adjusted total investment return by average adjusted total investable assets. See “Non-GAAP Financial Measures” for reconciliation.
AFS	Available-for-sale
ALAE	Allocated loss adjustment expenses
Allianz	Allianz SE
AmTrust	AmTrust Financial Services, Inc.
Annualized	Calculation of the quarterly result or year-to-date result multiplied by four and then divided by the number of quarters elapsed within the applicable year-to-date period.
AOCI	Accumulated other comprehensive income
APIC	Additional Paid-in Capital
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Arden	Arden Reinsurance Company Ltd.
Atrium	Atrium Underwriting Group Limited
bps	Basis point(s)
BMA	Bermuda Monetary Authority
BSCR	Bermuda Solvency Capital Requirement
BVPS	Book value per ordinary share - GAAP financial measure calculated by dividing Enstar ordinary shareholders’ equity by the number of ordinary shares outstanding.
Cavello	Cavello Bay Reinsurance Limited, a wholly-owned subsidiary
CODM	Chief operating decision maker
Citco	Citco III Limited
CLO	Collateralized loan obligation
Core Specialty	Core Specialty Insurance Holdings, Inc.
CPP Investments	Canada Pension Plan Investment Board
DCo	DCo LLC
Defendant A&E liabilities	Defendant asbestos and environmental liabilities - Non-insurance liabilities relating to amounts for indemnity and defense costs for pending and future claims, as well as amounts for environmental liabilities associated with properties.
DCA	Deferred charge asset - The amount by which estimated ultimate losses payable exceed the consideration received at the inception of a retroactive reinsurance agreement and that are subsequently amortized over the estimated loss settlement period.

DGL	Deferred gain liability - The amount by which consideration received exceeds estimated ultimate losses payable at the inception of a retroactive reinsurance agreement and that are subsequently amortized over the estimated loss settlement period.
EB Trust	Enstar Group Limited Employee Benefit Trust
Enhanzed Re	Enhanzed Reinsurance Ltd.
Enstar	Enstar Group Limited and its consolidated subsidiaries
Enstar Finance	Enstar Finance LLC
Exchange Transaction	The exchange of a portion of our indirect interest in Northshore for all of the Trident V Funds' indirect interest in StarStone U.S.
FAL	Funds at Lloyd's - A deposit in the form of cash, securities, letters of credit or other approved capital instrument that satisfies the capital requirement to support the Lloyd's syndicate underwriting capacity.
FDBVPS	Fully diluted book value per ordinary share - Non-GAAP financial measure calculated by dividing Enstar ordinary shareholders' equity by the number of ordinary shares outstanding, adjusted for equity awards granted and not yet vested (similar to the calculation of diluted earnings per share). See "Non-GAAP Financial Measures" in Item 7 for reconciliation.
Funds held	The account created with premium due to the reinsurer pursuant to the reinsurance agreement, the balance of which is credited with investment income and losses paid are deducted.
Funds held by reinsured companies	Funds held, as described above, where we receive a fixed crediting rate of return or other contractually agreed return on the assets held.
Funds held - directly managed	Funds held, as described above, where we receive the actual investment portfolio return on the assets held.
Future policyholder benefits	The liability relating to life reinsurance contracts, which are based on the present value of anticipated future cash flows and mortality rates.
GCM Fund	GCM Blue Sails Infrastructure Offshore Opportunities Fund, L.P.
Go-shop	A 35-day period immediately following the date of the Merger Agreement during which the Company's Board of Directors and advisors may solicit alternative acquisition proposals from third parties.
IBNR	Incurred but not reported - The estimated liability for unreported claims that have been incurred, as well as estimates for the possibility that reported claims may settle for amounts that differ from the established case reserves as well as the potential for closed claims to re-open.
ILS	Insurance Linked Securities
Investable assets	The sum of total investments, cash and cash equivalents, restricted cash and cash equivalents and funds held
JSOP	Joint Share Ownership Plan
LAE	Loss adjustment expenses
Lloyd's	This term may refer to either the society of individual and corporate underwriting members that pool and spread risks as members of one or more syndicates, or the Corporation of Lloyd's, which regulates and provides support services to the Lloyd's market
LOC	Letter of credit
LPT	Loss Portfolio Transfer - Retroactive reinsurance transaction in which loss obligations that are already incurred are ceded to a reinsurer, subject to any stipulated limits
Merger	Series of mergers resulting in the Company surviving the Merger as a wholly-owned subsidiary of Elk Bidco Limited, an exempted company limited by shares existing under the laws of Bermuda
Merger Agreement	Enstar Group Limited entered into an Agreement and Plan of Merger with Elk Bidco Limited, which is backed by equity commitments from investment vehicles managed or advised by affiliates of Sixth Street Partners, LLC.
Monument Midco	Monument Midco Limited, a wholly owned subsidiary of Monument Re
Monument Re	Monument Insurance Group Limited
Morse TEC	Morse TEC LLC
NAV	Net asset value
NCI	Noncontrolling interests

New business	Material transactions, which generally take the form of reinsurance or direct business transfers, or business acquisitions.
NIFO	Net investment in foreign operation
Northshore	Northshore Holdings Limited
OLR	Outstanding loss reserves - Provisions for claims that have been reported and accrued but are unpaid at the balance sheet date.
Parent	Elk Bidco Limited
pps	Percentage point(s)
PPD	Prior period development - Changes to loss estimates recognized in the current calendar year that relate to loss reserves established in previous calendar years.
Private equity funds	Investments in limited partnerships and limited liability companies
QBE	QBE Insurance Group Limited
RACQ	RACQ Insurance Limited
Reinsurance to close (RITC)	A business transaction to transfer estimated future liabilities attached to a given year of account of a Lloyd's syndicate into a later year of account of either the same or different Lloyd's syndicate in return for a premium.
Reserves for losses and LAE	Management's best estimate of the ultimate cost of settling losses as of the balance sheet date. This includes OLR and IBNR.
Retroactive reinsurance	Contracts that provide indemnification for losses and LAE with respect to past loss events.
RLE	Run-off liability earnings – GAAP-based financial measure calculated by dividing prior period development by average net loss reserves.
RNCI	Redeemable noncontrolling interests
ROE	Return on equity - GAAP-based financial measure calculated by dividing net income (loss) attributable to Enstar ordinary shareholders by opening Enstar ordinary shareholders' equity
Run-off	A line of business that has been classified as discontinued by the insurer that initially underwrote the given risk
Run-off portfolio	A group of insurance policies classified as run-off.
SEC	U.S. Securities and Exchange Commission
SGL No. 1	SGL No. 1 Limited
Sixth Street	Sixth Street Partners, LLC
SSHL	StarStone Specialty Holdings Limited
StarStone International	StarStone's non-U.S. operations
StarStone U.S.	StarStone U.S. Holdings, Inc. and its subsidiaries
Stone Point	Stone Point Capital LLC
TIR	Total investment return - GAAP financial measure calculated by dividing total investment return, including other comprehensive income, for the applicable period by average total investable assets
Trident V Funds	Trident V, L.P., Trident V Parallel Fund, L.P. and Trident V Professionals Fund, L.P.
U.S. GAAP	Accounting principles generally accepted in the United States of America
ULAE	Unallocated loss adjustment expenses - Loss adjustment expenses relating to run-off costs for the estimated payout of the run-off, such as internal claim management or associated operational support costs.
Unearned premium	The unexpired portion of policy premiums that will be earned over the remaining term of the insurance contract.
VIE	Variable interest entity

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report and the documents incorporated by reference herein contain statements that constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities, plans and objectives of our management, as well as the markets for our securities and the insurance and reinsurance sectors in general.

Statements that include words such as "estimate," "project," "plan," "intend," "expect," "anticipate," "believe," "would," "should," "could," "seek," "may" and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise.

All forward-looking statements are necessarily estimates or expectations, and not statements of historical fact, reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

These forward looking statements should, therefore, be considered in light of various important factors, including those set forth in this report and in our Annual Report on Form 10-K for the year ended December 31, 2023, which could cause actual results to differ materially from those suggested by the forward-looking statements. These risk factors include:

- the completion of the Merger (as defined herein) on the anticipated terms and timing;
- the satisfaction of other conditions to the completion of the Merger, including obtaining required shareholder and regulatory approvals;
- the risk that our stock price may fluctuate during the pendency of the Merger and may decline if the Merger is not completed;
- potential litigation relating to the Merger that could be instituted against us or our directors, managers or officers, including the effects of any outcomes related thereto;
- the risk that disruptions from the Merger (including the ability of certain customers to terminate or amend contracts upon a change of control) will harm our business, including current plans and operations, including during the pendency of the Merger;
- our ability to retain and hire key personnel;
- the diversion of management's time and attention from ordinary course business operations to completion of the Merger and integration matters;
- potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Merger;
- legislative, regulatory and economic developments;
- potential business uncertainty, including changes to existing business relationships, during the pendency of the Merger that could affect our financial performance;
- certain restrictions during the pendency of the proposed transaction that may impact our ability to pursue certain business opportunities or strategic transactions;
- unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, outbreaks of war or hostilities or global pandemics, as well as management's response to any of the aforementioned factors;
- the possibility that the Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- unexpected costs, liabilities or delays associated with the Merger;
- the response of competitors to the Merger;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger, including in circumstances requiring us to pay a termination fee;
- the risk that an active trading market for the newly issued preferred shares that our holders of the depositary shares representing our preferred shares will receive in the Merger does not exist and may not develop;

- the adequacy of our loss reserves and the need to adjust such reserves as claims develop over time, including due to the impact of emerging claim and coverage issues and disputes that could impact reserve adequacy;
- risks relating to our acquisitions, including our ability to evaluate opportunities, successfully price acquisitions, address operational challenges, support our planned growth and assimilate acquired portfolios and companies into our internal control system in order to maintain effective internal controls, provide reliable financial reports and prevent fraud;
- risks relating to climate change and its potential impact on the returns from our run-off business and our investments;
- changes in tax laws or regulations applicable to us or our subsidiaries, including the Bermuda Corporate Income Tax, or the risk that we or one of our non-U.S. subsidiaries become subject to significant, or significantly increased, income taxes in the U.S. or elsewhere;
- the risk that U.S. persons who own our ordinary shares might become subject to adverse U.S. tax consequences as a result of related person insurance income;
- risks relating to our ability to obtain regulatory approvals, including the timing, terms and conditions of any such approvals, and to satisfy other closing conditions in connection with our acquisition agreements, which could affect our ability to complete acquisitions;
- risks relating to the variability of statutory capital requirements and the risk that we may require additional capital in the future, which may not be available or may be available only on unfavorable terms;
- the risk that our reinsurance subsidiaries may not be able to provide the required collateral to ceding companies pursuant to their reinsurance contracts, including through the use of letters of credit;
- risks relating to the availability and collectability of our ceded reinsurance;
- the ability of our subsidiaries to distribute funds to us and the resulting impact on our liquidity;
- losses due to foreign currency exchange rate fluctuations;
- the risk that the value of our investment portfolios and the investment income that we receive from these portfolios may decline materially as a result of market fluctuations and economic conditions, including those related to interest rates, credit spreads and equity prices (including the risk that we may realize losses related to declines in the value of our investments portfolios if we elect to, or are required to, sell investments with unrealized losses);
- risks relating to our ability to structure our investments in a manner that recognizes our liquidity needs;
- risks relating to our strategic investments in alternative asset classes and joint ventures, which are illiquid and may be volatile;
- risks relating to our ability to accurately value our investments, which requires methodologies, estimates and assumptions that can be highly subjective, and the inaccuracy of which could adversely affect our financial condition;
- risks relating to our liquidity demands and the structure of our investment portfolios, which may adversely affect the performance of our investment portfolio and financial results;
- risks relating to the complex regulatory environment in which we operate, including that ongoing or future industry regulatory developments will disrupt our business, affect the ability of our subsidiaries to operate in the ordinary course or to make distributions to us, or mandate changes in industry practices in ways that increase our costs, decrease our revenues or require us to alter aspects of the way we do business;
- risks relating to laws and regulations regarding sanctions and foreign corrupt practices, the violation of which could adversely affect our financial condition and results of operations;
- the risk that some of our directors, large shareholders and their affiliates have interests that can create conflicts of interest through related party transactions;
- the risk that outsourced providers could breach their obligations to us which could adversely affect our business and results of operations;

- operational risks, including cybersecurity events, external hazards, human failures or other difficulties with our information technology systems that could disrupt our business or result in the loss of critical and confidential information, increased costs; and
- risks relating to the ownership of our shares resulting from certain provisions of our bye-laws and our status as a Bermuda company.

The factors listed above should not be construed as exhaustive and should be read in conjunction with the Risk Factors that are included in our Annual Report on Form 10-K for the year ended December 31, 2023 and this Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. We undertake no obligation to publicly update or review any forward-looking statement, whether to reflect any change in our expectations with regard thereto, or as a result of new information, future developments or otherwise, except as required by law.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | Page

ENSTAR GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2024 and December 31, 2023

	June 30, 2024	December 31, 2023
	(expressed in millions of U.S. dollars, except share data)	
ASSETS		
Short-term investments, trading, at fair value	$ 9	$ 2
Short-term investments, available-for-sale, at fair value (amortized cost: 2024 — $45; 2023 — $62)	45	62
Fixed maturities, trading, at fair value	1,698	1,949
Fixed maturities, available-for-sale, at fair value (amortized cost: 2024 — $5,381; 2023 — $5,642; net of allowance: 2024 — $14; 2023 — $16)	4,971	5,261
Funds held	4,730	5,251
Equities, at fair value (cost: 2024 — $602; 2023 — $615)	761	701
Other investments, at fair value (includes consolidated variable interest entity: 2024 - $101; 2023 - $59)	4,091	3,853
Equity method investments	318	334
Total investments (*Note 5* and *Note 11*)	16,623	17,413
Cash and cash equivalents (includes consolidated variable interest entity: 2023 — $8)	469	564
Restricted cash and cash equivalents	283	266
Accrued interest receivable	63	71
Reinsurance balances recoverable on paid and unpaid losses (net of allowance: 2024 — $119; 2023 — $131)	582	740
Reinsurance balances recoverable on paid and unpaid losses, at fair value (*Note 11*)	199	217
Insurance balances recoverable (net of allowance: 2024 — $4; 2023 — $5) (*Note 10*)	169	172
Net deferred charge assets (*Note 7*)	687	731
Other assets	821	739
TOTAL ASSETS	$ 19,896	$ 20,913
LIABILITIES		
Losses and loss adjustment expenses (*Note 8*)	$ 10,148	$ 11,196
Losses and loss adjustment expenses, at fair value (*Note 8* and *Note 11*)	1,056	1,163
Defendant asbestos and environmental liabilities (*Note 10*)	540	567
Insurance and reinsurance balances payable	32	43
Debt obligations	1,832	1,831
Other liabilities (includes consolidated variable interest entity: 2024 and 2023 — $1)	408	465
TOTAL LIABILITIES	14,016	15,265
COMMITMENTS AND CONTINGENCIES (*Note 17*)		
SHAREHOLDERS' EQUITY (*Note 14*)		
Voting ordinary shares (par value $1 each, issued and outstanding 2024: 15,230,911; 2023: 15,196,685)	15	15
Preferred Shares:		
Series C Preferred Shares (issued and held in treasury 2024 and 2023: 388,571)	—	—
Series D Preferred Shares (issued and outstanding 2024 and 2023: 16,000; liquidation preference $400)	400	400
Series E Preferred Shares (issued and outstanding 2024 and 2023: 4,400; liquidation preference $110)	110	110
Treasury shares, at cost:		
Series C Preferred shares (2024 and 2023: 388,571)	(422)	(422)
Joint Share Ownership Plan (voting ordinary shares, held in trust 2024 and 2023: 565,630)	(1)	(1)
Additional paid-in capital	591	579
Accumulated other comprehensive loss	(357)	(336)
Retained earnings	5,435	5,190
Total Enstar Shareholders' Equity	5,771	5,535
Noncontrolling interests (*Note 13*)	109	113
TOTAL SHAREHOLDERS' EQUITY	5,880	5,648
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 19,896	$ 20,913

See accompanying notes to the unaudited condensed consolidated financial statements.

ENSTAR GROUP LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three and Six Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(expressed in millions of U.S. dollars, except share and per share data)			
REVENUES				
Net premiums earned	$ 5	$ 7	$ 16	$ 15
Net investment income	155	172	315	328
Net realized losses	(9)	(25)	(15)	(43)
Fair value changes in trading securities, funds held and other investments	86	(2)	171	204
Other (loss) income	(1)	2	(1)	282
Total revenues	236	154	486	786
EXPENSES				
Net incurred losses and loss adjustment expenses				
Current period	4	3	9	13
Prior periods	(62)	(10)	(86)	(20)
Total net incurred losses and loss adjustment expenses	(58)	(7)	(77)	(7)
Amortization of net deferred charge assets	29	24	59	41
Acquisition costs	1	4	2	6
General and administrative expenses	98	85	185	174
Interest expense	23	22	45	45
Net foreign exchange losses (gains)	1	5	(8)	(1)
Total expenses	94	133	206	258
INCOME BEFORE INCOME TAXES	142	21	280	528
Income tax benefit (expense)	2	4	(3)	5
(Loss) income from equity method investments	(8)	14	(13)	25
NET INCOME	136	39	264	558
Less: Net income attributable to noncontrolling interests	(1)	(9)	(1)	(95)
NET INCOME ATTRIBUTABLE TO ENSTAR	135	30	263	463
Dividends on preferred shares	(9)	(9)	(18)	(18)
NET INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	$ 126	$ 21	$ 245	$ 445
Earnings per ordinary share attributable to Enstar Ordinary Shareholders:				
Basic	$ 8.59	$ 1.36	$ 16.72	$ 27.44
Diluted	$ 8.49	$ 1.34	$ 16.49	$ 27.19
Weighted average ordinary shares outstanding:				
Basic	14,664,767	15,460,318	14,652,962	16,216,080
Diluted	14,846,505	15,660,981	14,854,673	16,366,517

See accompanying notes to the unaudited condensed consolidated financial statements.

ENSTAR GROUP LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three and Six Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(expressed in millions of U.S. dollars)			
NET INCOME	$ 136	$ 39	$ 264	$ 558
Other comprehensive income (loss), net of income taxes:				
Unrealized (losses) gains on fixed maturities, available-for-sale arising during the period	(3)	(34)	(36)	23
Reclassification adjustment for change in allowance for credit losses recognized in net income	(2)	5	(1)	(4)
Reclassification adjustment for net realized losses included in net income	10	20	15	47
Unrealized gains (losses) arising during the period, net of reclassification adjustments	5	(9)	(22)	66
Reclassification adjustment for remeasurement of future policyholder benefits included in net income	—	—	—	(363)
Change in currency translation adjustment	2	(3)	1	2
Change in net liability for losses and LAE at fair value - Instrument-specific credit risk	—	21	—	21
Total other comprehensive income (loss)	7	9	(21)	(274)
Comprehensive income	143	48	243	284
Less: Comprehensive loss attributable to noncontrolling interests	(1)	(10)	(1)	(7)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSTAR	$ 142	$ 38	$ 242	$ 277

See accompanying notes to the unaudited condensed consolidated financial statements.

ENSTAR GROUP LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Three Months Ended June 30, 2024 and 2023

	Share Capital [1]										
		Preferred Shares		Treasury Shares							
	Voting Ordinary Shares	Series D	Series E	Series C Preferred Shares	JSOP	APIC	AOCI	Retained Earnings	Total Enstar Shareholders' Equity	NCI	Total Shareholders' Equity
	(in millions of U.S. dollars)										
Three Months Ended June 30, 2024											
Balance as at March 31, 2024	$ 15	$ 400	$ 110	$ (422)	$ (1)	$ 585	$ (364)	$ 5,309	$ 5,632	$ 114	$ 5,746
Net income attributable to Enstar or noncontrolling interests	—	—	—	—	—	—	—	135	135	1	136
Dividends on preferred shares	—	—	—	—	—	—	—	(9)	(9)	—	(9)
Amortization of share-based compensation	—	—	—	—	—	8	—	—	8	—	8
Acquisition of noncontrolling shareholders' interest in subsidiary	—	—	—	—	—	—	—	—	—	(6)	(6)
Other comprehensive income, net of tax	—	—	—	—	—	—	7	—	7	—	7
Other	—	—	—	—	—	(2)	—	—	(2)	—	(2)
Balance as at June 30, 2024	$ 15	$ 400	$ 110	$ (422)	$ (1)	$ 591	$ (357)	$ 5,435	$ 5,771	$ 109	$ 5,880
Three Months Ended June 30, 2023											
Balance as at March 31, 2023	$ 16	$ 400	$ 110	$ (422)	$ (1)	$ 440	$ (496)	$ 4,830	$ 4,877	$ 7	$ 4,884
Net income attributable to Enstar or noncontrolling interests (excludes redeemable non controlling interests)	—	—	—	—	—	—	—	30	30	1	31
Dividends on preferred shares	—	—	—	—	—	—	—	(9)	(9)	—	(9)
Amortization of share-based compensation	—	—	—	—	—	8	—	—	8	—	8
Acquisition of noncontrolling shareholders' interest in subsidiary	—	—	—	—	—	—	—	—	—	(1)	(1)
Other comprehensive income, net of tax	—	—	—	—	—	—	8	—	8	—	8
Other	—	—	—	—	—	(1)	—	—	(1)	4	3
Balance as at June 30, 2023	$ 16	$ 400	$ 110	$ (422)	$ (1)	$ 447	$ (488)	$ 4,851	$ 4,913	$ 11	$ 4,924

[1] Series C non-voting convertible shares, Series E non-voting convertible shares and Series C convertible participating non-voting shares were excluded from these tables as all amounts were less than $1 million.

See accompanying notes to the unaudited condensed consolidated financial statements.

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ENSTAR GROUP LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2024 and 2023

	Share Capital (1)				Treasury Shares							
		Non-voting Convertible Ordinary Shares	Preferred Shares									
	Voting Ordinary Shares	Series C	Series D	Series E	Series C Preferred Shares	JSOP	APIC	AOCI	Retained Earnings	Total Enstar Shareholders' Equity	NCI	Total Shareholders' Equity
	(in millions of U.S. dollars)											
Six Months Ended June 30, 2024												
Balance as at December 31, 2023	$ 15	$ —	$ 400	$ 110	$ (422)	$ (1)	$ 579	$ (336)	$ 5,190	$ 5,535	$ 113	$ 5,648
Net income attributable to Enstar or noncontrolling interests	—	—	—	—	—	—	—	—	263	263	1	264
Dividends on preferred shares	—	—	—	—	—	—	—	—	(18)	(18)	—	(18)
Amortization of share-based compensation	—	—	—	—	—	—	16	—	—	16	—	16
Acquisition of noncontrolling shareholders' interest in subsidiary	—	—	—	—	—	—	—	—	—	—	(6)	(6)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(21)	—	(21)	—	(21)
Other	—	—	—	—	—	—	(4)	—	—	(4)	1	(3)
Balance as at June 30, 2024	$ 15	$ —	$ 400	$ 110	$ (422)	$ (1)	$ 591	$ (357)	$ 5,435	$ 5,771	$ 109	$ 5,880
Six Months Ended June 30, 2023												
Balance as at December 31, 2022	$ 16	$ 1	$ 400	$ 110	$ (422)	$ (1)	$ 766	$ (302)	$ 4,406	$ 4,974	$ 186	$ 5,160
Net income attributable to Enstar or noncontrolling interests (excludes redeemable noncontrolling interests)	—	—	—	—	—	—	—	—	463	463	86	549
Dividends on preferred shares	—	—	—	—	—	—	—	—	(18)	(18)	—	(18)
Ordinary shares repurchased	—	(1)	—	—	—	—	(339)	—	—	(340)	—	(340)
Amortization of share-based compensation	—	—	—	—	—	—	14	—	—	14	—	14
Acquisition of noncontrolling shareholders' interest in subsidiary	—	—	—	—	—	—	9	—	—	9	(175)	(166)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(186)	—	(186)	(90)	(276)
Other	—	—	—	—	—	—	(3)	—	—	(3)	4	1
Balance as at June 30, 2023	$ 16	$ —	$ 400	$ 110	$ (422)	$ (1)	$ 447	$ (488)	$ 4,851	$ 4,913	$ 11	$ 4,924

(1) Series E non-voting convertible shares and Series C convertible participating non-voting shares were excluded from these tables as all amounts were less than $1 million.

See accompanying notes to the unaudited condensed consolidated financial statements.

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ENSTAR GROUP LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,	
	2024	2023
	(expressed in millions of U.S. dollars)	
OPERATING ACTIVITIES:		
Net income	$ 264	$ 558
Adjustments to reconcile net income to cash flows provided by operating activities:		
Realized losses on investments	15	43
Fair value changes in trading securities, funds held and other investments	(171)	(204)
Amortization of net deferred charge assets	59	41
Depreciation, accretion and other amortization	(7)	3
Net gain on Enhanzed Re novation	—	(275)
Loss (income) from equity method investments	13	(25)
Other adjustments	12	(10)
Changes in:		
Reinsurance balances recoverable on paid and unpaid losses	176	4
Losses and loss adjustment expenses	(1,167)	859
Defendant asbestos and environmental liabilities	(26)	(20)
Insurance and reinsurance balances payable	(11)	31
Other operating assets and liabilities	(172)	(169)
Funds held	464	(993)
Cash from/(to) operating activities:		
Cash consideration for the Enhanzed Re novation	—	94
Sales and maturities of trading securities	445	737
Purchases of trading securities	(162)	(237)
Net cash flows (used in) provided by operating activities	(268)	437
INVESTING ACTIVITIES:		
Sales and maturities of available-for-sale securities	981	1,196
Purchase of available-for-sale securities	(713)	(1,203)
Purchase of other investments	(346)	(378)
Proceeds from other investments	268	353
Proceeds from the sale of equity method investments	20	—
Other	1	1
Net cash flows provided by (used in) investing activities	211	(31)
FINANCING ACTIVITIES:		
Dividends on preferred shares	(18)	(18)
Dividends paid to redeemable noncontrolling interest	—	(175)
Repurchase of shares	—	(340)
Acquisition of noncontrolling interest	(6)	—
Net cash flows used in financing activities	(24)	(533)
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCY CASH AND CASH EQUIVALENTS	3	(17)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(78)	(144)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	830	1,330
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	$ 752	$ 1,186

Supplemental Cash Flow Information:		
Income taxes (received) paid, net of refunds	$ (14)	$ 7
Interest paid	$ 44	$ 44
Reconciliation to Consolidated Balance Sheets:		
Cash and cash equivalents	$ 469	$ 768
Restricted cash and cash equivalents	283	418
Cash, cash equivalents and restricted cash	$ 752	$ 1,186
Non-cash operating activities:		
Novation of future policy holder benefits	$ —	$ 828
Funds held directly managed transferred in exchange on novation of future policy holder benefits	—	(949)
Other assets / liabilities transferred on novation of future policy holder benefits	—	(62)
Losses and loss adjustment expenses transferred in connection with settlement of participation in Atrium's Syndicate 609	—	173
Investments transferred in connection with settlement of participation in Atrium's Syndicate 609	—	(173)
Non-cash investing activities:		
Unsettled purchases of available-for-sale securities and other investments	$ 1	$ 23
Unsettled sales of available-for-sale securities and other investments	(3)	(3)
Receipt of warrants as consideration in exchange for assumption of reinsurance contract liabilities	16	—
Receipt of AFS debt securities as consideration in exchange for assumption of reinsurance contract liabilities	—	113

See accompanying notes to the unaudited condensed consolidated financial statements.

ENSTAR GROUP LIMITED
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
1. MERGER AGREEMENT

Subsequent to quarter end, on July 29, 2024, Enstar Group Limited (the “Company,” “we,” “us,” or “our”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Elk Bidco Limited (the “Parent”), an exempted company limited by shares existing under the laws of Bermuda. The Parent is backed by equity commitments from investment vehicles managed or advised by affiliates of Sixth Street Partners, LLC (“Sixth Street”). Pursuant to the Merger Agreement, there will be a series of mergers (collectively, the "Merger") resulting in the Company surviving the Merger as a wholly-owned subsidiary of the Parent.

Under the terms of the Merger Agreement, all of the Company’s issued and outstanding ordinary shares, par value $1.00 per share, will be converted into the right to receive $338 in cash per ordinary share, except for shares held by Sixth Street and certain shareholders who will reinvest in the merged entity. The total consideration to be paid to our shareholders is approximately $5.1 billion. Completion of the Merger remains subject to certain conditions, including the approval of the Merger by the Company’s shareholders, as well as certain governmental and regulatory approvals. The Merger is currently expected to close in mid-2025.

In connection with the Merger Agreement, any Company restricted stock awards, restricted stock unit awards, deferred stock awards, and performance shares that are outstanding immediately prior to completion of the Merger will generally become vested and are included in the consideration. As part of the consideration, Enstar has agreed to a return of capital of approximately $500 million to the Company’s shareholders, which is included as part of the total $338 per ordinary share in cash received. Upon completion of the transaction, the Company's ordinary shares will no longer be publicly listed, and the Company will become a privately-held company.

The agreement includes a 35-day "go-shop" period expiring on September 2, 2024, which permits the Company's Board of Directors and advisors to solicit alternative acquisition proposals from third parties. There can be no assurance that this "go-shop" will result in a superior proposal, and the Company does not intend to disclose developments with respect to the solicitation process unless and until it determines such disclosure is appropriate or is otherwise required. The Company will have the right to terminate the Merger Agreement to enter into a superior proposal both during and after the “go-shop” period, subject to the terms and conditions of the Merger Agreement.

The Merger Agreement contains termination rights for the Company and Sixth Street upon the occurrence of certain events, including, among others:

1. if the consummation of the Merger does not occur on or before July 29, 2025 (the “Closing Date”); except that if the effective time of the Merger has not occurred by July 29, 2025 due to the fact that all required applicable regulatory approvals have not been obtained on acceptable terms but all other conditions to closing have been satisfied (other than those conditions that by their terms are to be satisfied at the closing, each of which is capable of being satisfied) or (to the extent permitted by law) waived, the Closing Date would be automatically extended by another six months;
2. if the Company wishes to terminate the Merger Agreement to enter into a definitive agreement with respect to a Superior Proposal (as defined in the Merger Agreement); and
3. if Sixth Street wishes to terminate the Merger Agreement upon the occurrence of a Specified Debt Event of Default (as defined in the Merger Agreement).

Upon termination of the Merger Agreement under specified circumstances, including, among others, the termination by the Company in the event of a change of recommendation by the Company’s Board of Directors or in order to enter into a definitive agreement with respect to a Superior Proposal, the Company would be required to pay Sixth Street a termination fee of $145 million (or $102 million if such termination occurs during the “go-shop” period). In addition, upon termination of the Merger Agreement by Sixth Street, under certain circumstances, Sixth Street would be required to pay the Company a termination fee of $265 million, or if Sixth Street terminates the Merger Agreement upon a Specified Debt Event of Default, a termination fee of $97 million.

2. BASIS OF PRESENTATION

Enstar Group Limited is a leading global (re)insurance group that offers innovative capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe and Australia. Our core focus is acquiring and managing (re)insurance companies and portfolios of (re)insurance business in run-off.

These unaudited condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Rules and Regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the financial information and note disclosures required by U.S. GAAP for complete consolidated financial statements.

In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments, that are normal and recurring in nature, necessary for a fair statement of the financial results for the interim periods. All intercompany accounts and transactions have been eliminated and certain comparative information has been reclassified to conform to the current presentation.

The results of operations for any interim period are not necessarily indicative of results for the full year. These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recently Issued Accounting Pronouncements Not Yet Adopted

ASU 2023-07 - Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, which includes the following amendments to Topic 280 Segment Reporting:

- Disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within the segment measure of profit or loss;
- Disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition;
- Disclose, on an interim basis, all annual disclosures about a reportable segment’s profit or loss and assets currently required by Topic 280;
- Clarify that an entity is not precluded from reporting one or more additional measure(s) of segment profit or loss if the CODM uses more than one measure in assessing segment performance and deciding how to allocate resources;
- Disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources; and
- Require an entity with a single reportable segment to provide all disclosures required by the amendments in ASU 2023-07 and all existing segment disclosures in Topic 280.

These amendments are effective for annual reporting periods beginning after December 15, 2023 and interim reporting periods beginning after December 15, 2024, and must be applied retrospectively to all prior periods presented. Early adoption is permitted.

Adopting ASU 2023-07 will require us to expand our segment disclosures. We will retrospectively adopt this ASU for our Form 10-K for the year ended December 31, 2024 and interim periods beginning in 2025.

ASU 2023-09 - Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, which includes the following amendments to Topic 740 Income Taxes:

- Disclose, on an annual basis, specific categories in the rate reconciliation;
- Disclose, on an annual basis, additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate);
- Disclose, on an annual basis, the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes;
- Disclose, on an annual basis, the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5% of total income taxes paid (net of refunds received);
- Disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign;
- Disclose income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign;
- Eliminates the requirement to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months or make a statement that an estimate of the range cannot be made; and
- Eliminates the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.

These amendments are effective for annual reporting periods beginning after December 15, 2024, and should be applied prospectively, however retrospective application is permitted. Early adoption is permitted.

Adopting ASU 2023-09 will require us to expand our income tax disclosures. We are currently determining the period in which the new guidance will be adopted.

3. SIGNIFICANT NEW BUSINESS

We define new business as material transactions, which generally take the form of reinsurance or direct business transfers, or business acquisitions.

Signed and closed agreements

The table below sets forth a summary of the new reinsurance business that we closed with R&Q (Accredited) in the six months ended June 30, 2024:

Line of Business	Consideration Received	Net Loss Reserves Assumed	DCA [1]	Type of Transaction	Remaining Limit upon Acquisition	Jurisdiction
	(in millions of U.S. dollars)					
Diversified mix including asbestos, general casualty, and workers' compensation	$ 282	$ 297	$ 15	LPT and ADC	$ 111	U.S., U.K. and Europe

[1] Where the estimated ultimate losses payable exceed the consideration received at the inception of the agreement, a deferred charge asset ("DCA") is recorded. Refer to Note 7 for additional information.

Signed agreements not closed as of June 30, 2024

During the six months ended June 30, 2024, we entered into new reinsurance deals with SiriusPoint and Insurance Australia Group, that had yet to close as at June 30, 2024. Additionally, in July 2024 we closed on a deal to reinsure certain 2019 and 2020 business written by a third-party capital platform which uses an Insurance Linked securities ("ILS") mechanism to fund its risks, for which Enstar will receive a premium of $350 million for the portfolio.

The table below sets forth a summary of new reinsurance business that we have signed between January 1, 2024 and June 30, 2024 but that had not closed as of June 30, 2024:

Line of Business	Agreement Date	Type of Transaction	Estimated Reserves [1]
			(in millions of U.S. dollars)
Workers' compensation [2]	April 30, 2024	LPT	$ 400
Property catastrophe and COVID-19 exposures [3]	June 4, 2024	LPT	350
Product & public liability, compulsory third-party motor, professional risks, and workers' compensation [2]	June 26, 2024	ADC	200
Total			$ 950

[1] Estimated reserves are subject to changes from finalization procedures following the closing of the transactions.

[2] The closing of these signed transactions are subject to regulatory approval and other closing conditions.

[3] On July 25, 2024, this LPT transaction was closed.

4. SEGMENT INFORMATION

Our segment structure is aligned with how our CODM, our Chief Executive Officer, views our business, assesses performance and allocates resources to our business components. Effective January 1, 2024, our business is organized into two reportable segments: (i) Run-off and (ii) Investments. In addition, our Corporate and other activities, which do not qualify as an operating segment, include income and expense items that are not directly attributable to our reportable segments and activities from the former Assumed Life and Legacy Underwriting reportable segments.

Effective January 1, 2024, each of our Assumed Life and Legacy Underwriting reportable segments were determined to no longer meet the definition of reportable segments as they no longer engage in any active business activities following the series of commutation and novation transactions in Enhanzed Re and the settlement of the arrangements between SGL No. 1, Arden, and Atrium. Given the cessation of business activities and that all remaining activities are not expected to be material, all residual income or expense of the former Assumed Life and Legacy Underwriting reportable segments will be prospectively included within our Corporate and other activities.

The Assumed Life segment previously included Enhanzed Re’s life and property aggregate excess of loss (catastrophe) business. In August 2022, Enhanzed Re entered into a Master Agreement with Cavello Bay Reinsurance Limited (“Cavello”), a wholly-owned subsidiary of Enstar, and Allianz, pursuant to which a series of commutation and novation agreements were completed which ceased any continuing reinsurance obligations for this segment. We recognized the impact of transactions that closed in the fourth quarter of 2022 in the first quarter of 2023 due to the one quarter lag in reporting.

The Legacy Underwriting segment previously included participation in direct underwriting activities, including a 25% participation within 2020 and prior underwriting years of Atrium's Syndicate 609 at Lloyd's, offset by the contractual transfer of the results of that business to the Atrium entities that were divested in an exchange transaction. All remaining contractual arrangements were settled in the second quarter of 2023. Other than the settlement of these amounts, no other transactions were recorded in the Legacy Underwriting segment in 2023.

Our assets are reviewed on a consolidated basis by management for decision making purposes since they support business operations across both of our reportable segments as well as our Corporate and other activities. We do not allocate assets to our reportable segments with the exception of (re)insurance balances recoverable on paid and unpaid losses and goodwill (all goodwill is attributable to the Run-off segment) that are directly attributable to our reportable segments.

The following table sets forth select unaudited condensed consolidated statements of operations results by segment and our Corporate and other activities:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
	(in millions of U.S. dollars)			
Revenues				
Run-off	$ 8	$ 12	$ 22	$ 25
Investments	232	145	471	489
Assumed Life [(1)]	—	—	—	275
Subtotal	240	157	493	789
Corporate and other [(1)]	(4)	(3)	(7)	(3)
Total revenues	**$ 236**	**$ 154**	**$ 486**	**$ 786**
(Loss) income from equity method investments				
Investments	**$ (8)**	**$ 14**	**$ (13)**	**$ 25**
Segment net income (loss)				
Run-off	$ 19	$ (34)	$ 8	$ (39)
Investments	214	149	438	493
Assumed Life [(1)]	—	—	—	275
Total segment net income	**233**	**115**	**446**	**729**
Corporate and other [(1)]:				
Other expense [(2)]	(4)	(3)	(7)	(3)
Net incurred losses and loss adjustment expenses (“LAE”) [(3)]	(2)	2	(1)	(21)
Amortization of net deferred charge assets	(29)	(24)	(59)	(41)
General and administrative expenses	(40)	(28)	(75)	(67)
Interest expense	(23)	(22)	(45)	(45)
Net foreign exchange (losses) gains	(1)	(5)	8	1
Income tax benefit (expense)	2	4	(3)	5
Less: Net income attributable to noncontrolling interests	(1)	(9)	(1)	(95)
Dividends on preferred shares	(9)	(9)	(18)	(18)
Total - Corporate and other loss	**(107)**	**(94)**	**(201)**	**(284)**
Net income attributable to Enstar Ordinary Shareholders	**$ 126**	**$ 21**	**$ 245**	**$ 445**

[(1)] Effective January 1, 2024, Assumed Life and Legacy Underwriting were determined to no longer meet the definition of reportable segments and their residual income and loss activities were prospectively included in Corporate and other activities. Activities prior to January 1, 2024 are recorded in their respective segments. In addition, Legacy Underwriting had no revenue or income activity for the three and six months ended June 30, 2024 and 2023 and therefore is excluded from the table above.

[(2)] Other expense for Corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo and Morse TEC.

[(3)] Net incurred losses and LAE for Corporate and other activities includes fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of assets and liabilities related to our assumed retroactive reinsurance contracts for which we have elected the fair value option.

5. INVESTMENTS

Short-term and Fixed Maturity Investments

Asset Types

The fair values of the following underlying asset categories are set out below:

	June 30, 2024				
	Short-term investments, trading	Short-term investments, AFS	Fixed maturities, trading	Fixed maturities, AFS	Total
	(in millions of U.S. dollars)				
U.S. government and agency	$ —	$ 28	$ 28	$ 214	$ 270
U.K. government	—	—	17	34	51
Other government	6	6	108	223	343
Corporate	3	11	1,243	2,512	3,769
Municipal	—	—	37	83	120
Residential mortgage-backed	—	—	53	398	451
Commercial mortgage-backed	—	—	124	749	873
Asset-backed	—	—	88	758	846
Total fixed maturity and short-term investments	$ 9	$ 45	$ 1,698	$ 4,971	$ 6,723

	December 31, 2023				
	Short-term investments, trading	Short-term investments, AFS	Fixed maturities, trading	Fixed maturities, AFS	Total
	(in millions of U.S. dollars)				
U.S. government and agency	$ —	$ 38	$ 76	$ 212	$ 326
U.K. government	—	—	21	51	72
Other government	—	2	144	245	391
Corporate	2	22	1,349	2,758	4,131
Municipal	—	—	49	93	142
Residential mortgage-backed	—	—	55	432	487
Commercial mortgage-backed	—	—	138	703	841
Asset-backed	—	—	117	767	884
Total fixed maturity and short-term investments	$ 2	$ 62	$ 1,949	$ 5,261	$ 7,274

Included within residential mortgage-backed securities as of June 30, 2024 were securities issued by U.S. governmental agencies with a fair value of $266 million (December 31, 2023: $306 million).

Included within commercial mortgage-backed securities as of June 30, 2024 were securities issued by U.S. governmental agencies with a fair value of $66 million (December 31, 2023: $73 million).

Contractual Maturities

The contractual maturities of our short-term and fixed maturity investments, classified as trading and AFS are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

As of June 30, 2024	Amortized Cost	Fair Value	% of Total Fair Value
	(in millions of U.S. dollars)		
One year or less	$ 402	$ 395	5.9 %
More than one year through five years	2,030	1,921	28.5 %
More than five years through ten years	1,424	1,278	19.0 %
More than ten years	1,278	959	14.3 %
Residential mortgage-backed	494	451	6.7 %
Commercial mortgage-backed	929	873	13.0 %
Asset-backed	838	846	12.6 %
	$ 7,395	$ 6,723	100.0 %

Unrealized Gains and Losses on AFS Short-term and Fixed Maturity Investments

The amortized cost, unrealized gains and losses, allowance for credit losses and fair values of our short-term and fixed maturity investments classified as AFS were as follows:

			Gross Unrealized Losses		
As of June 30, 2024	Amortized Cost	Gross Unrealized Gains	Non-Credit Related Losses	Allowance for Credit Losses	Fair Value
	(in millions of U.S. dollars)				
U.S. government and agency	$ 260	$ —	$ (18)	$ —	$ 242
U.K. government	37	—	(3)	—	34
Other government	238	1	(10)	—	229
Corporate	2,815	8	(286)	(14)	2,523
Municipal	97	—	(14)	—	83
Residential mortgage-backed	437	3	(42)	—	398
Commercial mortgage-backed	795	1	(47)	—	749
Asset-backed	747	14	(3)	—	758
	$ 5,426	$ 27	$ (423)	$ (14)	$ 5,016

			Gross Unrealized Losses		
As of December 31, 2023	Amortized Cost	Gross Unrealized Gains	Non-Credit Related Losses	Allowance for Credit Losses	Fair Value
	(in millions of U.S. dollars)				
U.S. government and agency	$ 268	$ 1	$ (19)	$ —	$ 250
U.K. government	49	3	(1)	—	51
Other government	250	5	(8)	—	247
Corporate	3,040	23	(268)	(15)	2,780
Municipal	107	1	(15)	—	93
Residential mortgage-backed	466	3	(37)	—	432
Commercial mortgage-backed	760	1	(57)	(1)	703
Asset-backed	764	10	(7)	—	767
	$ 5,704	$ 47	$ (412)	$ (16)	$ 5,323

Gross Unrealized Losses on AFS Short-term and Fixed Maturity Investments

The following tables summarizes our short-term and fixed maturity investments classified as AFS that were in a gross unrealized loss position, for which an allowance for credit losses has not been recorded, as explained below:

	12 Months or Greater		Less Than 12 Months		Total	
As of June 30, 2024	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
	(in millions of U.S. dollars)					
U.S. government and agency	$ 126	$ (17)	$ 84	$ (1)	$ 210	$ (18)
U.K. government	9	(2)	16	(1)	25	(3)
Other government	61	(8)	115	(2)	176	(10)
Corporate	1,720	(281)	366	(5)	2,086	(286)
Municipal	72	(14)	4	—	76	(14)
Residential mortgage-backed	246	(41)	40	(1)	286	(42)
Commercial mortgage-backed	422	(41)	235	(6)	657	(47)
Asset-backed	52	(2)	168	(1)	220	(3)
Total short-term and fixed maturity investments	$ 2,708	$ (406)	$ 1,028	$ (17)	$ 3,736	$ (423)

	12 Months or Greater		Less Than 12 Months		Total	
As of December 31, 2023	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
	(in millions of U.S. dollars)					
U.S. government and agency	$ 135	$ (18)	$ 43	$ (1)	$ 178	$ (19)
U.K. government	9	(1)	4	—	13	(1)
Other government	70	(8)	10	—	80	(8)
Corporate	1,854	(265)	243	(3)	2,097	(268)
Municipal	78	(15)	2	—	80	(15)
Residential mortgage-backed	267	(36)	41	(1)	308	(37)
Commercial mortgage-backed	410	(48)	225	(9)	635	(57)
Asset-backed	239	(6)	100	(1)	339	(7)
Total short-term and fixed maturity investments	$ 3,062	$ (397)	$ 668	$ (15)	$ 3,730	$ (412)

As of June 30, 2024 and December 31, 2023, the number of securities classified as AFS in an unrealized loss position for which an allowance for credit loss is not recorded was 2,405 and 2,156, respectively. Of these securities, the number of securities that had been in an unrealized loss position for twelve months or longer was 1,493 and 1,736, respectively.

The contractual terms of a majority of these investments do not permit the issuers to settle the securities at a price less than the amortized cost basis of the security. While interest rates have increased and credit spreads have widened, and in certain cases credit ratings were downgraded, we currently do not expect the issuers of these fixed maturities will settle them at a price less than their amortized cost basis and therefore we expect to recover the entire amortized cost basis of each security. Furthermore, we do not intend to sell the securities that are currently in an unrealized loss position, and it is also not likely that we will be required to sell the securities, before the recovery of their amortized cost bases.

Allowance for Credit Losses on AFS Fixed Maturity Investments

The following table provides a reconciliation of the beginning and ending allowance for credit losses on our AFS debt securities:

	Three Months Ended June 30,					
	2024			2023		
	Corporate	Commercial mortgage backed	Total	Corporate	Commercial mortgage backed	Total
	(in millions of U.S. dollars)					
Allowance for credit losses, beginning of period	$ (16)	$ (1)	$ (17)	$ (21)	$ —	$ (21)
Allowances for credit losses on securities for which credit losses were not previously recorded	(1)	—	(1)	(2)	(2)	(4)
Reductions for securities sold during the period	1	—	1	2	—	2
Decrease (increase) to the allowance for credit losses on securities that had an allowance recorded in the previous period	2	1	3	(1)	—	(1)
Allowance for credit losses, end of period	$ (14)	$ —	$ (14)	$ (22)	$ (2)	$ (24)

	Six Months Ended June 30,						
	2024			2023			
	Corporate	Commercial mortgage backed	Total	Other government	Corporate	Commercial mortgage backed	Total
	(in millions of U.S. dollars)						
Allowance for credit losses, beginning of period	$ (15)	$ (1)	$ (16)	$ (1)	$ (32)	$ —	$ (33)
Allowances for credit losses on securities for which credit losses were not previously recorded	(1)	—	(1)	—	(3)	(2)	(5)
Reductions for securities sold during the period	1	—	1	—	5	—	5
Decrease to the allowance for credit losses on securities that had an allowance recorded in the previous period	1	1	2	1	8	—	9
Allowance for credit losses, end of period	$ (14)	$ —	$ (14)	$ —	$ (22)	$ (2)	$ (24)

During the three and six months ended June 30, 2024 and 2023, we did not have any write-offs charged against the allowance for credit losses or any recoveries of amounts previously written off.

Equity Investments

The following table summarizes our equity investments:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Equity Investments		
Publicly traded equity investments in common and preferred stocks	$ 292	$ 275
Exchange-traded funds	71	82
Privately held equity investments in common and preferred stocks	382	344
Warrants and other	16	—
	$ 761	$ 701

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Other Investments

The following table summarizes our other investments carried at fair value:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Other Investments		
Private equity funds	$ 1,794	$ 1,617
Private credit funds	669	625
Hedge funds	551	491
Fixed income funds	545	605
Real estate fund	319	269
CLO equity funds	160	182
CLO equities	49	60
Equity funds	4	4
	$ 4,091	$ 3,853

Other investments, including equities measured at fair value using NAV as a practical expedient

We use NAV as a practical expedient to fair value certain of our other investments, including equities.

The table below details the estimated period by which proceeds would be received if we had provided notice of our intent to redeem or initiated a sales process as of June 30, 2024 for our investments measured at fair value using NAV as a practical expedient:

	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Not Eligible/ Restricted	Total	Redemption Frequency [1]
	(in millions of U.S. dollars)						
Equities							
Privately held equity investments	$ —	$ —	$ —	$ —	$ 49	$ 49	not eligible/ restricted
Other investments							
Private equity funds	$ 65	$ —	$ —	$ —	$ 1,729	$ 1,794	quarterly
Hedge funds	551	—	—	—	—	551	monthly to bi-annually
Fixed income funds	497	—	—	—	43	540	monthly to quarterly
Private credit funds	—	—	—	—	479	479	not eligible / restricted
Real estate fund	—	—	—	—	319	319	not eligible/ restricted
CLO equity funds	158	—	—	—	2	160	quarterly to bi-annually
	$ 1,271	$ —	$ —	$ —	$ 2,621	$ 3,892	

[1] Redemption frequency relates to unrestricted amounts.

Equity Method Investments

The table below shows our equity method investments:

	June 30, 2024		December 31, 2023	
	Ownership %	Carrying Value	Ownership %	Carrying Value
		(in millions of U.S. dollars)		
Monument Re [1]	24.6 %	47	20.0 %	95
Core Specialty	19.8 %	259	19.9 %	225
Other	27.0 %	12	27.0%	14
		$ 318		$ 334

[1] As of June 30, 2024, we own 24.6% of the common shares in Monument Re. We converted all of our preferred shares in Monument Midco to common shares in Monument Re on January 2, 2024. As of December 31, 2023, we owned 20.0% of the common shares in Monument Re as well as preferred shares in Monument Midco which had fixed dividend yields (where declared).

Funds Held

Under funds held arrangements, the reinsured company has retained funds that would otherwise have been remitted to us. The funds held balance is credited with investment income and losses paid are deducted.

We present funds held as a single category within the consolidated balance sheets. The following table summarizes the components of funds held:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Funds held - directly managed	$ 2,204	$ 2,502
Funds held by reinsured companies	2,526	2,749
Total funds held	$ 4,730	$ 5,251

Funds Held - Directly Managed

The following table summarizes the components of the investments collateralizing the funds held - directly managed:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Funds held - directly managed, at cost	$ 2,326	$ 2,608
Fair value changes in:		
Accumulated change in fair value - embedded derivative accounting	(122)	(106)
Funds held - directly managed, at fair value	$ 2,204	$ 2,502

The majority of our funds held - directly managed is comprised of short-term and fixed maturities. The $298 million decrease in funds held - directly managed from December 31, 2023 to June 30, 2024 was primarily driven by net paid losses.

Funds Held by Reinsured Companies

The following table summarizes the components of our funds held by reinsured companies:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Funds held by reinsurance companies, at amortized cost	$ 2,504	$ 2,709
Fair value of embedded derivative [1]	22	40
Funds held by reinsured companies	$ 2,526	$ 2,749

[1] Pursuant to the terms of the Aspen Insurance Holdings transaction entered in 2022, in addition to earning a fixed crediting rate (“base crediting rate”) on the funds withheld through September 30, 2025, we receive a variable return (together, the “full crediting rate”). The embedded derivative represents the fair value of the amount by which all future interest payments on the funds withheld balance made at the full crediting rate are expected to exceed all future interest payments made on the funds withheld balance at the base crediting rate.

The $223 million decrease in funds held by reinsured companies from December 31, 2023 to June 30, 2024 was primarily driven by net paid losses specific to the Aspen LPT.

Net Investment Income

Major categories of net investment income are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Fixed maturity investments	$ 83	$ 81	$ 167	$ 160
Short-term investments and cash and cash equivalents	7	10	15	17
Funds held	54	62	112	112
Investment income from fixed maturities and cash and cash equivalents	144	153	294	289
Equity investments	8	10	16	24
Other investments	11	13	23	23
Investment income from equities and other investments	19	23	39	47
Gross investment income	163	176	333	336
Investment expenses	(8)	(4)	(18)	(8)
Net investment income	$ 155	$ 172	$ 315	$ 328

Net Realized Gains (Losses) and Fair Value Changes

Investment purchases and sales are recorded on a trade-date basis. Realized gains and losses on the sale of investments are based upon specific identification of the cost of investments. Components of net realized gains (losses) and fair value changes recorded within our unaudited condensed consolidated statements of operations were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Net realized losses on sales:				
Gross realized gains (losses) on fixed maturity securities, AFS	$ 1	$ (3)	$ 6	$ 2
Gross realized losses on fixed maturity securities, AFS	(11)	(17)	(21)	(49)
Decrease (increase) in allowance for expected credit losses on fixed maturity securities, AFS	1	(5)	—	4
Total net realized losses on sales	$ (9)	$ (25)	$ (15)	$ (43)
Fair value changes in trading securities, funds held and other investments:				
Fixed maturity securities, trading	$ (16)	$ (42)	$ (30)	$ (2)
Funds held - directly managed	(10)	(22)	(15)	(3)
Equity securities	35	39	72	92
Other investments	78	27	145	112
Investment derivatives	(1)	(4)	(1)	5
Total fair value changes in trading securities, funds held and other investments	$ 86	$ (2)	$ 171	$ 204
Net realized losses and fair value changes in trading securities, funds held and other investments	$ 77	$ (27)	$ 156	$ 161

The gross realized gains and losses on AFS investments for the three months ended June 30, 2024 and 2023 included in the table above resulted from sales of AFS investments of $200 million and $337 million, respectively. The gross realized gains and losses on AFS investments for the six months ended June 30, 2024 and 2023 included in the table above resulted from sales of $636 million and $993 million, respectively.

For the three months ended June 30, 2024 and 2023, fair value changes in trading securities, funds held and other investments recorded within the statement of operations relating to equity securities still held on the balance sheet date were $33 million and $26 million, respectively.

For the six months ended June 30, 2024 and 2023, fair value changes in trading securities, funds held and other investments recorded within the statement of operations relating to equity securities still held on the balance sheet date were $70 million and $69 million, respectively.

Restricted Assets

The carrying value of our restricted assets, including restricted cash of $283 million and $266 million as of June 30, 2024 and December 31, 2023, respectively, was as follows:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Collateral in trust for third party agreements	$ 4,529	$ 5,301
Assets on deposit with regulatory authorities	76	80
Collateral for secured letter of credit facilities	73	78
Funds at Lloyd's [1]	246	389
	$ 4,924	$ 5,848

[1] We managed and provided capacity for one Lloyd's syndicate as of both June 30, 2024 and December 31, 2023. Lloyd's determines the required capital principally through the use of an internal model that calculates a solvency capital requirement for each syndicate. This capital is referred to as FAL and will be drawn upon in the event that a syndicate has a loss that cannot be funded from other sources.

6. DERIVATIVES AND HEDGING INSTRUMENTS

Accounting for Derivatives

Freestanding Derivatives

Freestanding derivatives are recorded on trade-dates and carried on the consolidated balance sheet either as assets within other assets or as liabilities within other liabilities at estimated fair value. We do not offset the estimated fair value amounts recognized for derivatives executed with the same counterparty under the same master netting agreement.

If a derivative is not designated as an accounting hedge or its use in managing risk does not qualify for hedge accounting, changes in the estimated fair value of the derivative are reported in fair value changes in trading securities, funds held and other investments included in our consolidated statements of operations.

Hedge Accounting

To qualify for hedge accounting, at the inception of the hedging relationship, we formally document the risk management objective and strategy for undertaking the hedging transaction, as well as the designation of the hedge.

We have qualifying net investment in foreign operation (“NIFO”) hedges. We recognize changes in the estimated fair value of the hedging derivatives within OCI, consistent with the translation adjustment for the hedged net investment in the foreign operation.

Our documentation sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and also sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument’s effectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and at least quarterly throughout the life of the designated hedging relationship. Assessments of hedge effectiveness are also subject to interpretation and estimation and different interpretations or estimates may have a material effect on the amount reported in net income.

When hedge accounting is discontinued pursuant to a NIFO hedge (due to a revaluation, payment of a dividend or the disposal of our investment in a foreign operation), the derivative continues to be carried on the balance sheet at its estimated fair value. Deferred gains and losses recorded in OCI pursuant to a discontinued NIFO hedge are recognized immediately in net foreign exchange losses (gains) in our consolidated statements of operations.

Embedded Derivatives

We are party to certain reinsurance agreements that have embedded derivatives. We also have embedded derivatives on our convertible bond portfolio, recorded within fixed maturities, trading on the consolidated balance sheets. We assess each identified embedded derivative to determine whether it is required to be bifurcated. The embedded derivative is bifurcated from the host contract and accounted for as a freestanding derivative if:

- the combined instrument is not accounted for in its entirety at estimated fair value with changes in estimated fair value recorded in net income;
- the terms of the embedded derivative are not clearly and closely related to the economic characteristics of the host contract; and
- a separate instrument with the same terms as the embedded derivative would qualify as a derivative instrument.

Such embedded derivatives are carried on the consolidated balance sheet at estimated fair value with the host contract and changes in their estimated fair value are generally reported within fair value changes in trading securities, funds held and other investments.

Derivative Strategies

We are exposed to various risks relating to our ongoing business operations, including interest rate, foreign currency exchange rate, credit and equity price risks. We use a variety of strategies to manage these risks, including the use of derivatives.

Derivatives are financial instruments with values derived from interest rates, foreign currency exchange rates, credit spreads and/or other financial indices. The types of derivatives we use include swaps and forwards.

Foreign Currency Derivatives

We use foreign currency exchange rate derivatives, including foreign currency forwards, to reduce the risk from fluctuations in foreign currency exchange rates associated with our assets and liabilities denominated in foreign currencies. We also use foreign currency derivatives to hedge the foreign currency exchange rate risk associated with certain of our net investments in foreign operations.

In a foreign currency forward transaction, we agree with another party to deliver a specified amount of an identified currency at a specified future date. The price is agreed upon at the time of the contract and payment for such a contract is made at the specified future date. We utilize foreign currency forwards in fair value, NIFO hedges and nonqualifying hedging relationships.

Interest Rate Derivatives

We use interest rate derivatives, specifically interest rate swaps, to reduce our exposure to changes in interest rates.

Interest rate swaps are used by us primarily to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and liabilities (duration mismatches). In an interest rate swap, we agree with another party to exchange, at specified intervals, the difference between fixed rate and floating rate interest amounts as calculated by reference to an agreed notional amount. We utilize interest rate swaps in nonqualifying hedging relationships.

In June 2024, we entered into four one-month forward interest rate swaps each with a different underlying swap term of 2 to 5 years, receiving a fixed rate and paying a floating rate with a notional value of $125 million to (1) partially mitigate the risk that interest rates could decrease prior to our receipt of the premium consideration and (2) reduce asset and liability mismatch risk driven by investment restrictions for the LPT transaction related to property catastrophe and COVID-19 exposures signed on June 4, 2024, which closed in July 2024.

Additionally, in June 2024, we entered into two one-month forward interest rate swaps, receiving a fixed rate and paying a floating rate with a notional value of AUD $195 million (USD $130 million) to partially mitigate the risk that interest rates could decrease prior to our receipt of the consideration for the ADC transaction related to product & public liability, compulsory third-party motor, professional risks, and workers' compensation business signed on June 26, 2024.

The following table presents the gross notional amounts and estimated fair values of our derivatives recorded within other assets and other liabilities on the consolidated balance sheets as of June 30, 2024 and December 31, 2023:

	June 30, 2024			December 31, 2023		
	Gross Notional Amount	Fair Value		Gross Notional Amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
	(in millions of U.S. dollars)					
Derivatives designated as hedging instruments						
Foreign currency forward contracts	$ 281	$ 4	$ —	$ 424	$ 1	$ 6
Derivatives not designated as hedging instruments						
Foreign currency forward contracts	419	5	1	313	3	3
Interest rate swaps	255	—	—	—	—	—
Others	8	—	—	14	—	—
Total	$ 963	$ 9	$ 1	$ 751	$ 4	$ 9

The following table presents the net gains and losses relating to our derivative instruments for the three and six months ended June 30, 2024 and 2023:

		Amount of Net Gains (Losses)			
		Three Months Ended		Six Months Ended	
	Location of gain (loss) recognized on derivatives	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(in millions of U.S. dollars)			
Derivatives designated as hedging instruments					
Foreign currency forward contracts	Accumulated other comprehensive income (loss)	$ —	$ (7)	$ 8	$ (12)
Derivatives not designated as hedging instruments					
Foreign currency forward contracts	Net foreign exchange gains	4	4	6	5
Interest rate swaps	Fair value changes in trading securities, funds held and other investments	—	(4)	—	8

7. DEFERRED CHARGE ASSETS AND DEFERRED GAIN LIABILITIES

If, at the inception of a retroactive reinsurance contract, the estimated liabilities for losses and LAE exceed the consideration received, a deferred charge asset ("DCA") is recorded for this difference. In contrast, if the consideration received is in excess of the estimated undiscounted ultimate losses payable, a deferred gain liability ("DGL") is recorded.

We amortize the net DCA balances over the estimated claim payment period of the related contracts with the amortization prospectively adjusted at each reporting period to reflect new estimates of the pattern and timing of remaining losses and LAE payments.

The following table presents a summary of the DCA balances and related activity for the three and six months ended June 30, 2024 and 2023 (there were no DGL balances in either period):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Beginning carrying value	$ 701	$ 641	$ 731	$ 658
Recorded during the period	15	180	15	180
Amortization	(29)	(24)	(59)	(41)
Ending carrying value	$ 687	$ 797	$ 687	$ 797

8. LOSSES AND LOSS ADJUSTMENT EXPENSES

The liability for losses and LAE, also referred to as loss reserves, represents our gross estimates before reinsurance for unpaid reported losses (Outstanding Loss Reserves, or "OLR") and includes losses that have been incurred but not yet reported ("IBNR") using a variety of actuarial methods. We recognize an asset for the portion of the liability that we expect to recover from reinsurers. LAE reserves include allocated LAE ("ALAE") and unallocated LAE ("ULAE"). ALAE are linked to the settlement of an individual claim or loss, whereas ULAE are based on our estimates of future costs to administer the claims. IBNR includes amounts for unreported claims, development on known claims and reopened claims.

Our loss reserves cover multiple lines of business, including asbestos, environmental, general casualty, workers' compensation, marine, aviation and transit, construction defect, professional indemnity/directors and officers, motor, property and other non-life lines of business. We complete most of our annual loss reserve studies in the fourth quarter of each year and, as a result, tend to record the largest movements, both favorable and adverse, to net incurred losses and LAE in this period.

We have elected to apply the fair value option for certain reinsurance contracts including loss portfolio transfers ("LPTs") and reinsurance to close ("RITC") transactions. This is an irrevocable election that applies to all balances under the reinsurance contract, including reinsurance balances recoverable on paid and unpaid losses and the liability for losses and LAE. The primary reason for electing the fair value option was to reduce the earnings volatility created by carrying the liabilities for losses and LAE at cost and the assets supporting those liabilities at fair value. During 2017 and 2018, we elected the fair value option on select new business and classified the supporting portfolio investments as trading securities, whereby all changes in fair value were recorded in the statements of operations. Commencing in 2019, we discontinued electing the fair value option on new business in order to better align with our evolving investment objectives.

The table below provides a consolidated reconciliation of the beginning and ending liability for losses and LAE:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Balance as of beginning of period	**$ 11,550**	**$ 12,186**	**$ 12,359**	**$ 13,007**
Reinsurance reserves recoverable on unpaid losses	(723)	(960)	(774)	(996)
Net balance as of beginning of period	**10,827**	**11,226**	**11,585**	**12,011**
Net incurred losses and LAE:				
Current period:				
Increase in estimates of net ultimate losses	4	3	9	13
Total current period	4	3	9	13
Prior periods:				
Reduction in estimates of net ultimate losses	(42)	(8)	(48)	(23)
Reduction in provisions for ULAE	(22)	—	(39)	(18)
Amortization of fair value adjustments	6	6	9	9
Changes in fair value - fair value option [1]	(4)	(8)	(8)	12
Total prior periods	(62)	(10)	(86)	(20)
Total net incurred losses and LAE	**(58)**	**(7)**	**(77)**	**(7)**
Net paid losses:				
Current period	—	(1)	—	(2)
Prior periods	(546)	(511)	(1,216)	(1,187)
Total net paid losses	**(546)**	**(512)**	**(1,216)**	**(1,189)**
Other changes:				
Effect of exchange rate movement	(2)	38	(71)	69
Change in net liability for losses and LAE at fair value - Instrument-specific credit risk	—	(21)	—	(21)
Ceded business [2]	—	—	—	(139)
Assumed business	297	2,215	297	2,215
Total other changes	**295**	**2,232**	**226**	**2,124**
Net balance as of June 30	**10,518**	**12,939**	**10,518**	**12,939**
Reinsurance reserves recoverable on unpaid losses	686	895	686	895
Balance as of June 30	**$ 11,204**	**$ 13,834**	**$ 11,204**	**$ 13,834**

	As of	
	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Reconciliation to Consolidated Balance Sheets:		
Losses and loss adjustment expenses	$ 10,148	$ 11,196
Losses and loss adjustment expenses, at fair value	1,056	1,163
Total losses and loss adjustment expenses	**$ 11,204**	**$ 12,359**
Reinsurance balances recoverable on paid and unpaid losses	$ 582	$ 740
Reinsurance balances recoverable on paid and unpaid losses - fair value option	199	217
Total reinsurance balances recoverable on paid and unpaid losses	781	957
Less: Paid losses recoverable	(95)	(183)
Reinsurance reserves recoverable on unpaid losses	**$ 686**	**$ 774**

[1] Comprises discount rate and risk margin components.

[2] Represents the settlement of our participation in Atrium's Syndicate 609 relating to the 2020 and prior underwriting years, comprised of losses and LAE expenses of $173 million, net of reinsurance reserves recoverable of $34 million.

Prior Period Development

Reduction in Estimates of Net Ultimate Losses

The following table summarizes the change in estimates of net ultimate losses related to prior years in our Run-off segment by line of business:

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(in millions of U.S. dollars)			
Asbestos	$ (1)	$ 1	$ (25)	$ 1
Environmental	—	—	25	—
General casualty	(1)	(8)	17	(4)
Workers' compensation	(2)	(9)	(4)	(20)
Marine, aviation and transit	(3)	4	(3)	—
Construction defect	(24)	(1)	(22)	(1)
Professional indemnity/Directors and Officers	(12)	(2)	(41)	(1)
Motor	—	—	4	—
Property	1	4	—	1
All Other	—	3	1	1
Total	(42)	(8)	$ (48)	$ (23)

Three Months Ended June 30, 2024:

The reduction in estimates of net ultimate losses of $42 million was driven by favorable development on our construction defect and professional indemnity/directors and officers lines of business of $24 million and $12 million, respectively. This is a result of favorable claims experience, most notably in the 2021 and 2022 acquisition years.

Three Months Ended June 30, 2023:

The comparative quarter’s reduction in estimates of net ultimate losses of $8 million was driven by $9 million of favorable development on our workers’ compensation line of business as a result of continued favorable claims experience, most notably in the 2021 acquisition year.

Six Months Ended June 30, 2024:

The reduction in estimates of net ultimate losses of $48 million was driven by net favorable development across multiple lines of business. We recognized $41 million and $22 million of favorable development on our professional indemnity/directors and officers and construction defect lines of business, respectively, as a result of favorable claims experience and $25 million of favorable development on our asbestos line of business resulting from actuarial analysis.

The results were partially offset by $25 million of adverse development on our environmental line of business, primarily due to actuarial reviews during the period and $17 million on our general casualty line of business, due to adverse claims experience.

Six Months Ended June 30, 2023:

The comparative period’s reduction in estimates of net ultimate losses of $23 million was driven by $20 million of favorable development on our workers’ compensation line of business as a result of continued favorable claims experience, most notably in the 2021 acquisition year.

Reduction in Provisions for ULAE

Three and Six Months Ended June 30, 2024:

The favorable reductions in provisions for ULAE for the three months ended June 30, 2024 and 2023 were driven by corresponding reductions in loss reserves and the associated estimated cost of managing such liabilities.

Three and Six Months Ended June 30, 2023

The reduction in provisions for ULAE was adversely impacted by an increase of $21 million for the three and six months ended June 30, 2023 as a result of assuming active claims control on a 2022 LPT agreement with Argo, which fully offset and partially offset other ULAE provision adjustments from our run-off operations for those same periods, respectively.

Changes in Fair Value - Fair Value Option

Three Months Ended June 30, 2024 and 2023:

PPD was favorably impacted by changes in the fair value of liabilities for which we have elected the fair value option of $4 million and $8 million for the three months ended June 30, 2024 and 2023, respectively, which was primarily driven by an increase in U.K. corporate bond yields during both periods. The corporate bond yields, which form a component of the discount rate used to calculate the fair value of the liabilities, are matched to the original currencies of the underlying loss portfolios, of which GBP is the predominant currency for those portfolios that we have elected to measure at fair value using the fair value option. The favorable results for the three months ended June 30, 2023 were partially offset by a $21 million adjustment related to the change in fair value for instrument-specific credit risk from net incurred losses and LAE to AOCI (representing a previously disclosed out-of-period error between 2023 and 2022).

Six Months Ended June 30, 2024 and 2023:

PPD was favorably impacted by changes in the fair value of liabilities for which we have elected the fair value option of $8 million for the six months ended June 30, 2024, predominantly driven by an increase in U.K. corporate bond yields.

For the comparative period, PPD was adversely impacted by changes in the fair value of liabilities for which we have elected the fair value option of $12 million, which was primarily a result a net decrease in corporate bond yields during the first half 2023 and the impact of the out-of-period adjustment reclassified from net incurred losses and LAE to AOCI discussed above.

9. FUTURE POLICYHOLDER BENEFITS

The provision for future policyholder benefits includes provisions for life contingent liabilities assumed as well as other policy benefits for insureds. The future policyholder benefits are equal to the present value of the future benefits payments and related expenses less the present value of future net premiums.

The assumed liabilities for future policyholder benefits are comprised primarily of in-payment annuity contract liabilities, which are classified as limited-payment contracts. The balances of and changes in liability for future policyholder benefits is as follows:

	Six Months Ended June 30, 2023
	(in millions of U.S. dollars)
Beginning Balance	$ 821
Benefits paid	(6)
Effect of exchange rate movement	13
Derecognition [1]	(828)
Balance as of June 30	$ —

[1] In November 2022, we completed a novation of the reinsurance of a closed block of life annuity policies, which was recorded in our first quarter 2023 results due to a one quarter reporting lag. See below for additional information.

There were no gross premiums recognized for the three and six months ended June 30, 2023.

The effects of actual variances from expected policyholder behavior experience were not material for the six month period ended June 30, 2023.

Novation of Future Policyholder Benefits

In November 2022, Enhanzed Re completed a novation of the reinsurance of a closed block of life annuity policies to Monument Re Limited, a subsidiary of Monument Insurance Group Limited ("Monument Re"). We settled the life liabilities and the related assets at carrying value in return for cash consideration of $94 million as of the closing date and recorded other income of $275 million. This amount consists of a reclassification adjustment of the component of AOCI related to the unlocking of the discount rate assumption from the adoption of ASU 2018-12 into earnings. Our net income attributable to Enstar was reduced by the amount attributable to Allianz's 24.9% noncontrolling interest in Enhanzed Re at the time of the transaction and our other income recorded was subject to deferral as profits emerge from the underlying novated business, which is generally over the expected settlement period of the life annuity policies, to account for our 20% ownership interest in Monument Re at the time of the transaction.

The following table illustrates the calculation of the gain as of the closing date of the novation, in millions of U.S. dollars:

Calculation of carrying value as of transaction closing:	
Funds held - directly managed and other assumed reinsurance recoverables	$ 973
Future policyholder benefits (corresponds to derecognition referenced above)	(828)
Other assumed reinsurance liabilities	(12)
Carrying value of net assets	$ 133

Calculation of gain on novation (recorded in first quarter 2023):	
Cash consideration received	$ 94
Less: carrying value of net assets	(133)
Add: reclassification of remeasurement of future policyholder benefits from AOCI and NCI (1)	363
Amount deferred relating to 20% ownership interest in Monument Re (2)	(49)
Gain on novation (3)	275
Net income attributable to noncontrolling interest	(81)
Gain on novation attributable to Enstar (4)	$ 194

(1) Comprised of $273 million from AOCI and $90 million from NCI.

(2) Calculated as 20% of the net Enstar transaction gain of $243 million (representing $324 million, consisting of the $39 million loss when comparing cash consideration to carrying value plus the $363 million reclassification benefit, less Allianz’s 24.9% share equal to $81 million).

(3) Recognized in other income in our unaudited condensed consolidated statements of operations.

(4) Recognized in net income in our unaudited condensed consolidated statements of operations.

For the six months ended June 30, 2023, the total gain on novation attributable to Enstar was $194 million. The remaining deferred gain of $46 million as of June 30, 2024 will be amortized over the expected settlement period of the transferred life annuity policies, which is projected to be approximately 50 years, with the majority of benefit payments occurring in the earlier years (for the three and six months ended June 30, 2024 and June 30, 2023 the amortization was less than $1 million).

10. DEFENDANT ASBESTOS AND ENVIRONMENTAL LIABILITIES

The carrying value of the defendant asbestos and environmental liabilities ("defendant A&E liabilities"), insurance recoveries, future estimated expenses and the fair value adjustments related to DCo and Morse TEC was as follows:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Defendant A&E liabilities:		
Defendant asbestos liabilities	$ 700	$ 734
Defendant environmental liabilities	9	10
Estimated future expenses	31	33
Fair value adjustments	(200)	(210)
Defendant A&E liabilities	540	567
Insurance balances recoverable:		
Insurance recoverables related to defendant asbestos liabilities (net of allowance: 2024 - $4; 2023 - $5)	212	217
Fair value adjustments	(43)	(45)
Insurance balances recoverable	169	172
Net liabilities relating to defendant A&E exposures	$ 371	$ 395

The table below provides a consolidated reconciliation of the beginning and ending liability for defendant A&E liabilities:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Balance as of beginning of period	$ 556	$ 596	$ 567	$ 607
Insurance balances recoverable	(170)	(176)	(172)	(177)
Net balance as of beginning of period	386	420	395	430
Total paid claims	(18)	(10)	(30)	(21)
Amounts recorded in other expense (income):				
Reduction in estimates of ultimate net liabilities	—	—	—	(2)
Reduction in estimated future expenses	(1)	—	(2)	(1)
Amortization of fair value adjustments	4	2	8	6
Total other expense	3	2	6	3
Net balance as of June 30	371	412	371	412
Insurance balances recoverable	169	175	169	175
Balance as of June 30	$ 540	$ 587	$ 540	$ 587

11. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants. We use a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. The hierarchy is broken down into three levels as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets that we have the ability to access for identical assets or liabilities. Valuation adjustments and block discounts are not applied to Level 1 instruments.
- Level 2 - Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in inactive markets, or significant inputs that are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on unobservable inputs where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine the fair values.

In addition, certain of our other investments are measured at fair value using net asset value ("NAV") per share (or its equivalent) as a practical expedient and have not been classified within the fair value hierarchy as defined above.

There have been no material changes in our valuation techniques during the period represented by these unaudited condensed consolidated financial statements.

We have categorized our assets and liabilities that are recorded at fair value on a recurring and nonrecurring basis among levels based on the observability of inputs, or at fair value using NAV per share (or its equivalent) as follows:

	June 30, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured Using NAV as Practical Expedient	Total Fair Value
	(in millions of U.S. dollars)				
Investments:					
Short-term and fixed maturity investments:					
U.S. government and agency	$ —	$ 270	$ —	$ —	$ 270
U.K. government	—	51	—	—	51
Other government	—	343	—	—	343
Corporate	—	3,753	16	—	3,769
Municipal	—	120	—	—	120
Residential mortgage-backed	—	451	—	—	451
Commercial mortgage-backed	—	873	—	—	873
Asset-backed	—	816	30	—	846
	$ —	$ 6,677	$ 46	$ —	$ 6,723
Funds held [1]	$ 49	$ 2,051	$ 22	$ 104	$ 2,226
Equities:					
Publicly traded equity investments	$ 260	$ 31	$ 1	$ —	$ 292
Exchange-traded funds	71	—	—	—	71
Privately held equity investments	—	—	333	49	382
Warrant and others	—	—	16	—	16
	$ 331	$ 31	$ 350	$ 49	$ 761
Other investments:					
Private equity funds	$ —	$ —	$ —	$ 1,794	$ 1,794
Private credit funds	—	190	—	479	669
Hedge funds	—	—	—	551	551
Fixed income funds	—	5	—	540	545
Real estate fund	—	—	—	319	319
CLO equity funds	—	—	—	160	160
CLO equities	—	49	—	—	49
Equity funds	—	4	—	—	4
	$ —	$ 248	$ —	$ 3,843	$ 4,091
Total Investments, excluding funds held by reinsured companies and equity method investments	$ 380	$ 9,007	$ 418	$ 3,996	$ 13,801
Reinsurance balances recoverable on paid and unpaid losses:	$ —	$ —	$ 199	$ —	$ 199
Other Assets:					
Derivatives qualifying as hedging	$ —	$ 4	$ —	$ —	$ 4
Derivatives not qualifying as hedging	—	5	—	—	5
Derivative instruments	$ —	$ 9	$ —	$ —	$ 9
Losses and LAE:	$ —	$ —	$ 1,056	$ —	$ 1,056
Other Liabilities:					
Derivatives not qualifying as hedging	$ —	$ 1	$ —	$ —	$ 1

[1] The difference in the amount of funds held shown at fair value and the funds held shown in our unaudited condensed consolidated balance sheet relates to the $2.5 billion of funds held by reinsured companies carried at amortized cost as of June 30, 2024.

	December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured Using NAV as Practical Expedient	Total Fair Value
	(in millions of U.S. dollars)				
Investments:					
Short-term and fixed maturity investments:					
U.S. government and agency	$ —	$ 326	$ —	$ —	$ 326
U.K government	—	72	—	—	72
Other government	—	391	—	—	391
Corporate	—	4,119	12	—	4,131
Municipal	—	142	—	—	142
Residential mortgage-backed	—	487	—	—	487
Commercial mortgage-backed	—	841	—	—	841
Asset-backed	—	873	11	—	884
	—	7,251	23	—	7,274
Funds held (1)	$ 58	$ 2,342	$ 40	$ 102	$ 2,542
Equities:					
Publicly traded equity investments	$ 243	$ 31	$ 1	$ —	$ 275
Exchange-traded funds	82	—	—	—	82
Privately held equity investments	—	—	299	45	344
	$ 325	$ 31	$ 300	$ 45	$ 701
Other investments:					
Private equity funds	$ —	$ —	$ —	$ 1,617	$ 1,617
Private credit funds	—	183	—	442	625
Fixed income funds	—	53	—	552	605
Hedge funds	—	—	—	491	491
Real estate debt fund	—	—	—	269	269
CLO equity funds	—	—	—	182	182
CLO equities	—	60	—	—	60
Equity funds	—	4	—	—	4
	$ —	$ 300	$ —	$ 3,553	$ 3,853
Total Investments, excluding funds held by reinsured companies and equity method investments	$ 383	$ 9,924	$ 363	$ 3,700	$ 14,370
Reinsurance balances recoverable on paid and unpaid losses:	$ —	$ —	$ 217	$ —	$ 217
Other Assets:					
Derivatives qualifying as hedging	$ —	$ 1	$ —	$ —	$ 1
Derivatives not qualifying as hedging	—	3	—	—	3
Derivative instruments	$ —	$ 4	$ —	$ —	$ 4
Losses and LAE:	$ —	$ —	$ 1,163	$ —	$ 1,163
Other Liabilities:					
Derivatives qualifying as hedging	$ —	$ 6	$ —	$ —	$ 6
Derivatives not qualifying as hedging	—	3	—	—	3
Derivative instruments	$ —	$ 9	$ —	$ —	$ 9

(1) The difference in the amount of funds held shown at fair value and the funds held shown in our consolidated balance sheet relates to the $2.7 billion of funds held by reinsured companies carried at amortized cost as of December 31, 2023.

Level 3 Measurements and Changes in Leveling

Transfers into or out of levels are recorded at their fair values as of the end of the reporting period, consistent with the date of determination of fair value.

Investments

The following table presents a reconciliation of the beginning and ending balances for all investments measured at fair value on a recurring basis using Level 3 inputs:

	Three Months Ended							
	June 30, 2024						June 30, 2023	
	Fixed maturity investments		Equities				Equities	
	Corporate	Asset-backed	Privately-held Equities	Public Equities	Warrants and Other	Total	Privately-held Equities	Total
	(in millions of U.S. dollars)							
Beginning fair value	$ 17	$ 26	$ 297	$ 1	$ —	$ 341	$ 292	$ 292
Purchases	—	—	—	—	16	16	—	—
Sales and paydowns	—	(1)	—	—	—	(1)	—	—
Total fair value changes in trading securities, funds held and other investments [1]	(1)	—	36	—	—	35	8	8
Transfer into Level 3 from Level 2	—	5	—	—	—	5	—	—
Ending fair value	$ 16	$ 30	$ 333	$ 1	$ 16	$ 396	$ 300	$ 300

	Six Months Ended							
	June 30, 2024						June 30, 2023	
	Fixed maturity investments		Equities				Equities	
	Corporate	Asset-backed	Privately-held Equities	Public Equities	Warrants and Other	Total	Privately-held Equities	Total
	(in millions of U.S. dollars)							
Beginning fair value	12	$ 11	$ 299	$ 1	$ —	$ 323	$ 294	$ 294
Purchases	—	—	—	—	16	16	—	—
Sales and paydowns	—	(1)	—	—	—	(1)	—	—
Total fair value changes in trading securities, funds held and other investments [1]	(1)	—	34	—	—	33	6	6
Transfer into Level 3 from Level 2	5	20	—	—	—	25	—	—
Ending fair value	$ 16	$ 30	$ 333	$ 1	$ 16	$ 396	$ 300	$ 300

[1] Fair value changes in trading securities, funds held and other investments included in our unaudited condensed consolidated statements of operations is equal to the change in fair value changes in trading securities, funds held and other investments relating to assets held at the end of the reporting period.

Fair value changes in trading securities, funds held and other investments related to Level 3 assets in the tables above are included in fair value changes in trading securities, funds held and other investments in our unaudited condensed consolidated statements of operations.

Transfers into Level 3 are primarily attributable to the lack of observable market transactions and price information and the use of unobservable inputs within valuation methodologies.

Valuation Techniques and Inputs

The table below presents the quantitative information related to the fair value measurements for our fixed maturity and equity investments measured at fair value on a recurring basis using Level 3 inputs:

Qualitative Information about Level 3 Fair Value Measurements

Valuation Techniques	Fair Value as of June 30, 2024	Unobservable Input	Range (Average) [1]
	(in millions of U.S. dollars)		
Fixed maturities			
Corporate			
Discounted cash flow	$ 16	YTM; Implied total yield	6.44% - 10.92%
Asset-backed			
Discounted cash flow	30	YTM; IRR	6.75% - 9.87%
Total fixed maturities	$ 46		
Privately held equity investments			
Guideline company methodology; Option pricing model	$ 202	P/BV multiple P/BV (excluding AOCI) multiple Expected term	1.5x - 1.8x 1.4x -1.6x 1.5-3.5 years
Guideline companies method	62	P/BV multiple Price/2024 earnings	1.6x 8.9x - 10.4x
Guideline companies method; Earnings	35	LTM Enterprise Value/ EBITDA multiples Multiple on earnings	13x - 14x 5x
Dividend discount model	34	Discount rate	6.9%
	333		
Publicly traded equity investments			
Discounted cash flow	1	Implied total yield	8.62%
Warrants and Other			
Black-Scholes model	16	Expected term in years	10 years
Total equity investments	$ 350		

[1] The average represents the arithmetic average of the inputs and is not weighted by the relative fair value.

Funds Held by Reinsured Companies - Embedded Derivative

As described in Note 5, we have an embedded derivative in relation to the Aspen LPT transaction to account for the fair value of the full crediting rate we expect to earn on the funds withheld received as consideration.

The following table presents a reconciliation of the beginning and ending balances for the embedded derivative measured at fair value on a recurring basis using Level 3 inputs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars)			
Beginning fair value	$ 22	$ 54	$ 40	$ 44
Total fair value changes	—	(12)	(18)	(2)
Ending fair value	$ 22	$ 42	$ 22	$ 42

Fair value changes in trading securities, funds held and other investments in the table above are included in fair value changes in trading securities, funds held and other investments in our unaudited condensed consolidated statements of operations.

Valuations Techniques and Inputs

The table below presents the qualitative information related to the fair value measurements for the embedded derivative on our funds held by reinsured companies measured at fair value on a recurring basis using Level 3 inputs:

Qualitative Information about Level 3 Fair Value Measurements

Valuation Techniques	Fair Value as of June 30, 2024	Unobservable Input	Average
	(in millions of U.S. dollars)		
Monte Carlo simulation model; Discounted cash flow analysis	$ 22	Volatility rate; Expected Loss Payments	5.89% $427 million

Insurance Contracts - Fair Value Option

The following table presents a reconciliation of the beginning and ending balances for all insurance contracts measured at fair value on a recurring basis using Level 3 inputs:

	Three Months Ended June 30,					
	2024			2023		
	Liability for losses and LAE	Reinsurance balances recoverable	Net	Liability for losses and LAE	Reinsurance balances recoverable	Net
	(in millions of U.S. dollars)					
Beginning fair value	$ 1,098	$ 207	$ 891	$ 1,250	$ 265	$ 985
Incurred losses and LAE:						
Increase (reduction) in estimates of ultimate losses	(1)	(4)	3	—	—	—
Reduction in provisions for ULAE	(2)	—	(2)	(3)	—	(3)
Changes in fair value due to changes in:						
Average payout	9	2	7	13	3	10
Corporate bond yield	(13)	(2)	(11)	(46)	(7)	(39)
Credit spread for non-performance risk	—	—	—	27	6	21
Total change in fair value	(4)	—	(4)	(6)	2	(8)
Total incurred losses and LAE	(7)	(4)	(3)	(9)	2	(11)
Paid losses	(35)	(5)	(30)	(65)	(17)	(48)
Change in net liability for losses and LAE at fair value - Instrument-specific credit risk	—	—	—	(27)	(6)	(21)
Effect of exchange rate movements	—	1	(1)	21	3	18
Ending fair value	$ 1,056	$ 199	$ 857	$ 1,170	$ 247	$ 923

	Six Months Ended June 30,					
	2024			2023		
	Liability for losses and LAE	Reinsurance balances recoverable	Net	Liability for losses and LAE	Reinsurance balances recoverable	Net
	(in millions of U.S. dollars)					
Beginning fair value	$ 1,163	$ 217	$ 946	$ 1,286	$ 275	$ 1,011
Incurred losses and LAE:						
Reduction in estimates of ultimate losses	(7)	(13)	6	6	1	5
Reduction in unallocated LAE	(4)	—	(4)	(6)	—	(6)
Change in fair value due to changes in :						
Average payout	19	4	15	27	5	22
Corporate bond yield	(29)	(5)	(24)	(35)	(4)	(31)
Risk cost of capital	1	—	1	—	—	—
Credit spread for non-performance risk	—	—	—	27	6	21
Total change in fair value	(9)	(1)	(8)	19	7	12
Total incurred losses and LAE	(20)	(14)	(6)	19	8	11
Paid losses	(74)	(11)	(63)	(143)	(34)	(109)
Change in net liability for losses and LAE at fair value - Instrument-specific credit risk	—	—	—	(27)	(6)	(21)
Effect of exchange rate movements	(13)	7	(20)	35	4	31
Ending fair value	$ 1,056	$ 199	$ 857	$ 1,170	$ 247	$ 923

Below is a summary of the quantitative information regarding the significant observable and unobservable inputs used in the internal model to determine fair value on a recurring basis:

Valuation Technique	Unobservable (U) and Observable (O) Inputs	June 30, 2024	December 31, 2023
		Weighted Average	
Internal model	Corporate bond yield (O)	A Rated	A Rated
Internal model	Credit spread for Instrument-specific credit risk (U)	0.65%	0.65%
Internal model	Risk cost of capital (U)	5.65%	5.60%
Internal model	Weighted average cost of capital (U)	8.75%	8.75%
Internal model	Average payout - liability (U)	8.11 years	8.12 years
Internal model	Average payout - reinsurance balances recoverable on paid and unpaid losses (U)	8.62 years	8.35 years

The fair value of the liability for losses and LAE and reinsurance balances recoverable on paid and unpaid losses may increase or decrease due to changes in the corporate bond rate, the credit spread for non-performance risk, the risk cost of capital, the weighted average cost of capital and the estimated payment pattern.

In addition, the estimate of the capital required to support the liabilities is based upon current industry standards for capital adequacy.

Changes in the fair value due to changes in average payout and corporate bond yields are included in net incurred losses and loss adjustment expenses in our unaudited condensed consolidated statements of operations. Changes in the fair value due to changes in credit spread for Instrument-specific credit risk are classified to other comprehensive income.

Disclosure of Fair Values for Financial Instruments Carried at Cost

Senior and Junior Subordinated Notes

The following table presents the fair values of our Senior and Junior Subordinated Notes carried at amortized cost:

	June 30, 2024	
	Amortized Cost	Fair Value
	(in millions of U.S. dollars)	
4.95% Senior Notes due 2029	$ 496	$ 480
3.10% Senior Notes due 2031	496	413
Total Senior Notes	$ 992	$ 893
5.75% Junior Subordinated Notes due 2040	$ 346	$ 344
5.50% Junior Subordinated Notes due 2042	494	483
Total Junior Subordinated Notes	$ 840	$ 827

The fair value of our Senior Notes and our Junior Subordinated Notes was based on observable market pricing from a third party pricing service.

Both the Senior Notes and Junior Subordinated Notes are classified as Level 2.

Insurance Contracts

Disclosure of fair value of amounts relating to insurance contracts is not required, except those for which we elected the fair value option, as described above.

Remaining Financial Assets and Liabilities

Our remaining financial assets and liabilities were generally carried at cost or amortized cost, which due to their short-term nature approximates fair value as of June 30, 2024 and December 31, 2023.

12. VARIABLE INTEREST ENTITIES

We have investments in certain limited partnership funds which are deemed to be variable interest entities ("VIEs"). The activities of these VIEs are generally limited to holding investments and our involvement in these entities is passive in nature. We consolidate all VIEs in which we are considered to be the primary beneficiary.

GCM Fund

In July 2022, we entered into an agreement to become a limited partner of GCM Blue Sails Infrastructure Offshore Opportunities Fund, L.P. (“GCM Fund”), with an initial commitment of $150 million. At that time, we performed an assessment and concluded that as a result of being a limited partner and having no substantive kick-out or participating rights, the GCM Fund is a VIE. We also concluded that we are the primary beneficiary, as our 99.5% economic interest in the GCM Fund is disproportionately greater than our lack of stated power to direct the activities of the GCM Fund that will most significantly impact the GCM Fund’s economic performance. As a result, we have consolidated the results of the GCM Fund. There was no gain or loss recognized on consolidation.

We recognize the results of the GCM Fund on a one quarter lag. As of June 30, 2024, $101 million of the initial commitment has been called. The carrying amounts of the assets and liabilities of the GCM Fund are presented within existing captions on our consolidated balance sheet as of June 30, 2024. Net investment income, changes in the fair value of assets and liabilities of the GCM Fund and management fees are presented within existing captions in the consolidated statements of operations.

We recognized fair value changes in trading securities, funds held and other investments of $1 million and $2 million for the three and six months ended June 30, 2024, respectively. Such amounts were $2 million for each of the three and six months ended June 30, 2023, respectively.

Our exposure to risk of loss is limited to the amount of our investment, in accordance with the limited partnership agreement. We have not committed to provide any financial support to the general partner of the GCM Fund. In addition, we have not committed to provide any additional financial support to the GCM Fund in excess of previously funded capital commitments and all undistributed profits and income.

The assets of Enstar are not available to the creditors of the GCM Fund.

Nonconsolidated VIEs

The tables below present the fair value of our investments in nonconsolidated VIEs as well as our maximum exposure to loss associated with these VIEs:

	June 30, 2024			December 31, 2023		
	Fair Value	Unfunded Commitments	Maximum Exposure to Loss	Fair Value	Unfunded Commitments	Maximum Exposure to Loss
	(in millions of U.S. dollars)					
Equities						
Publicly traded equity investment in common stock	$ 59	$ —	$ 59	$ 55	$ —	$ 55
Privately Held Equity	34	—	34	34	—	34
Total	$ 93	$ —	$ 93	$ 89	$ —	$ 89
Other investments						
Hedge funds	$ 551	$ —	$ 551	$ 491	$ —	$ 491
Fixed income funds	137	35	172	147	35	182
Private equity funds	1,352	575	1,927	1,262	667	1,929
CLO equity funds	160	—	160	182	—	182
Private credit funds	403	257	660	349	242	591
Real estate funds	134	166	300	121	139	260
Total	$ 2,737	$ 1,033	$ 3,770	$ 2,552	$ 1,083	$ 3,635
Total investments in nonconsolidated VIEs	$ 2,830	$ 1,033	$ 3,863	$ 2,641	$ 1,083	$ 3,724

13. NONCONTROLLING INTERESTS

Redeemable Noncontrolling Interests

In December 2023, we entered into a Purchase Agreement with Trident V Funds and Dowling Capital Partners (together, the “RNCI Holders”) to purchase their remaining equity interest in StarStone Specialty Holdings Limited (“SSHL”). Following the completion of the transaction in December 2023, SSHL became a wholly-owned subsidiary and all redeemable non-controlling interests (“RNCI”) within our unaudited condensed consolidated balance sheets were redeemed.

The following is a reconciliation of the beginning and ending carrying amount of the equity attributable to the RNCI in the prior year period (as of December 2023 we no longer held any RNCI):

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
	(in millions of U.S. dollars)	
Balance at beginning of period	$ 170	$ 168
Net income attributable to RNCI	8	9
Change in unrealized gains on AFS investments attributable to RNCI	—	1
Balance as of June 30	$ 178	$ 178

Noncontrolling Interests

As of June 30, 2024 and December 31, 2023, we had $109 million and $113 million, respectively, of non-controlling interests (“NCI”) primarily related to external interests in our subsidiaries.

In December 2022, Enhanzed Re repurchased the entire 24.9% ownership interest Allianz held in Enhanzed Re for $175 million. We recorded the impact of reclassifying the carrying value of the NCI acquired to Enstar shareholders’ equity in our first quarter 2023 results, as we report the results of Enhanzed Re on a one quarter reporting lag.

A reconciliation of the beginning and ending carrying amount of the equity attributable to NCI is included in the unaudited condensed consolidated statements of changes in shareholder's equity.

14. SHAREHOLDERS' EQUITY

Ordinary Shares

The following is a reconciliation of our beginning and ending ordinary shares:

	Total Voting Ordinary Shares
Balance as of December 31, 2023	15,196,685
Shares issued [(1)] [(2)]	34,226
Balance as of June 30, 2024	15,230,911

[(1)] Ordinary Shares issued in relation to share-based compensation plan awards and the Employee Share Purchase Plan.

[(2)] Includes 2,035 shares of restricted stock.

Non-voting Ordinary Shares

Strategic Share Repurchases

In March 2023, we repurchased 1,597,712 of our non-voting convertible ordinary shares held by Canada Pension Plan Investment Board ("CPP Investments") for an aggregate $341 million, representing a price per share of $213.13 and a 5% discount to the trailing 10-day volume weighted average price of our voting ordinary shares as at the agreed March 2023 measurement date. The shares comprised all of our outstanding Series C and Series E non-voting ordinary shares.

There were no non-voting ordinary shares repurchased during the three and six months ended June 30, 2024.

Dividends on Preferred Shares

During the three months ended June 30, 2024 and 2023, we declared and paid dividends on Series D Preferred Shares of $7 million and on Series E Preferred Shares of $2 million for both periods.

During the six months ended June 30, 2024 and 2023, we declared and paid dividends on Series D Preferred Shares of $14 million and on Series E Preferred Shares of $4 million for both periods.

Accumulated Other Comprehensive Income (Loss)

The following tables present a roll forward of accumulated other comprehensive income (loss):

	Three Months Ended June 30, 2024			
	Unrealized (losses) gains on available-for-sale investments	Cumulative currency translation adjustment	FVO - Own credit Adjustment	Total
	(in millions of U.S. dollars)			
Balance March 31, 2024, net of tax	$ (395)	$ 11	$ 20	$ (364)
Unrealized losses on fixed maturities, AFS arising during the period	(3)	—	—	(3)
Reclassification adjustment for change in allowance for credit losses recognized in net income	(2)	—	—	(2)
Reclassification adjustment for net realized losses included in net income	10	—	—	10
Change in currency translation adjustment	—	2	—	2
Other comprehensive income	5	2	—	7
Balance June 30, 2024, net of tax	$ (390)	$ 13	$ 20	$ (357)

	Three Months Ended June 30, 2023			
	Unrealized (losses) gains on available-for-sale investments	Cumulative currency translation adjustment	FVO - Own credit Adjustment	Total
	(in millions of U.S. dollars)			
Balance March 31, 2023, net of tax	$ (510)	$ 14	$ —	$ (496)
Unrealized losses on fixed maturities, AFS arising during the period	(34)	—	—	(34)
Reclassification adjustment for change in allowance for credit losses recognized in net income	5	—	—	5
Reclassification adjustment for net realized losses included in net income	20	—	—	20
Change in currency translation adjustment	—	(3)	—	(3)
Change in net liability for losses and LAE at fair value - Enstar-specific credit risk	—	—	21	21
Other comprehensive (loss) income	(9)	(3)	21	9
Less: Other comprehensive income attributable to NCI and RNCI	(1)	—	—	(1)
Balance June 30, 2023, net of tax	$ (520)	$ 11	$ 21	$ (488)

	Six Months Ended June 30, 2024			
	Unrealized (losses) gains on available-for-sale investments	Cumulative currency translation adjustment	FVO - Own credit Adjustment	Total
	(in millions of U.S. dollars)			
Balance December 31, 2023, net of tax	$ (368)	$ 12	$ 20	$ (336)
Unrealized losses on fixed maturities, AFS arising during the period	(36)	—	—	(36)
Reclassification adjustment for change in allowance for credit losses recognized in net income	(1)	—	—	(1)
Reclassification adjustment for net realized losses included in net income	15	—	—	15
Change in currency translation adjustment	—	1	—	1
Other comprehensive (loss) income	(22)	1	—	(21)
Balance June 30, 2024, net of tax	$ (390)	$ 13	$ 20	$ (357)

	Six Months Ended June 30, 2023				
	Unrealized (losses) gains on available-for-sale investments	Cumulative currency translation adjustment	Remeasurement of future policyholder benefits - change in discount rate	FVO - Own credit Adjustment	Total
	(in millions of U.S. dollars)				
Balance December 31, 2022, net of tax	$ (584)	$ 9	$ 273	$ —	$ (302)
Unrealized gains on fixed maturities, AFS arising during the period	23	—	—	—	23
Reclassification adjustment for change in allowance for credit losses recognized in net income	(4)	—	—	—	(4)
Reclassification adjustment for net realized losses included in net income	47	—	—	—	47
Change in currency translation adjustment	—	2	—	—	2
Reclassification adjustment for remeasurement of future policyholder benefits included in net income	—	—	(363)	—	(363)
Change in net liability for losses and LAE at fair value - Enstar-specific credit risk	—	—	—	21	21
Other comprehensive income (loss)	66	2	(363)	21	(274)
Less: Other comprehensive income attributable to NCI and RNCI	(2)	—	90	—	88
Balance June 30, 2023, net of tax	$ (520)	$ 11	$ —	$ 21	$ (488)

The following table presents details about the tax effects allocated to each component of other comprehensive income (loss):

	Three Months Ended June 30,					
	2024			2023		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
	(in millions of U.S. dollars)					
Unrealized (losses) gains on fixed maturities, AFS arising during the period	$ (7)	$ 4	$ (3)	$ (35)	$ 1	$ (34)
Reclassification adjustment for change in allowance for credit losses recognized in net income	(2)	—	(2)	5	—	5
Reclassification adjustment for net realized losses included in net income	10	—	10	20	—	20
Change in currency translation adjustment	2	—	2	(3)	—	(3)
Change in net liability for losses and LAE at fair value - Enstar-specific credit risk	—	—	—	21	—	21
Other comprehensive income	$ 3	$ 4	$ 7	$ 8	$ 1	$ 9

	Six Months Ended June 30,					
	2024			2023		
	Before Tax Amount	Tax Benefit (Expense)	Net of Tax Amount	Before Tax Amount	Tax Benefit (Expense)	Net of Tax Amount
	(in millions of U.S. dollars)					
Unrealized (losses) gains on fixed maturities, AFS arising during the period	$ (48)	$ 12	$ (36)	$ 23	$ —	$ 23
Reclassification adjustment for change in allowance for credit losses recognized in net income	(1)	—	(1)	(4)	—	(4)
Reclassification adjustment for net realized losses included in net income	15	—	15	47	—	47
Change in currency translation adjustment	1	—	1	2	—	2
Reclassification adjustment for remeasurement of future policyholder benefits included in net income	—	—	—	(363)	—	(363)
Change in net liability for losses and LAE at fair value - Enstar-specific credit risk	—	—	—	21	—	21
Other comprehensive loss	$ (33)	$ 12	$ (21)	$ (274)	$ —	$ (274)

The following tables present details of amounts reclassified from accumulated other comprehensive loss:

Details about AOCI components	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Affected Line Item in Statement where Net Income are presented
	(in millions of U.S. dollars)				
Unrealized losses on fixed maturities, AFS	$ (8)	$ (25)	$ (14)	$ (43)	Net realized losses
Remeasurement of future policyholder benefits	—	—	—	363	Other income
Total reclassifications for the period, net of tax	$ (8)	$ (25)	$ (14)	$ 320	

Changes in Ownership of Consolidated Subsidiaries

The following table summarizes changes in the ownership interest in consolidated subsidiaries during the periods presented:

	Six months ended June 30,	
	2024	2023
	(in millions of U.S. dollars)	
Net income attributable to Enstar ordinary shareholders	$ 245	$ 445
Transfers from noncontrolling interests:		
Increase in Enstar's additional paid-in capital for purchase of noncontrolling interest [1]	—	9
Change from net income attributable to Enstar ordinary shareholders and net transfers from noncontrolling interests	$ 245	$ 454

[1] The transfer from the noncontrolling interests for the six months ended June 30, 2023 relates to the repurchase of the entire 24.9% ownership interest Allianz held in Enhanzed Re recorded in the first quarter 2023.

15. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted net earnings per ordinary share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions of U.S. dollars, except share and per share data)			
Numerator:				
Net income attributable to Enstar ordinary shareholders:	$ 126	$ 21	$ 245	$ 445
Denominator:				
Weighted-average ordinary shares outstanding — basic [1]	14,664,767	15,460,318	14,652,962	16,216,080
Effect of dilutive securities:				
Share-based compensation plans [2]	181,738	200,663	201,711	150,437
Weighted-average ordinary shares outstanding — diluted	14,846,505	15,660,981	14,854,673	16,366,517
Earnings per share attributable to Enstar ordinary shareholders:				
Basic	$ 8.59	$ 1.36	$ 16.72	$ 27.44
Diluted	$ 8.49	$ 1.34	$ 16.49	$ 27.19

(1) Weighted-average ordinary shares for basic earnings per share includes ordinary shares (voting and non-voting), but excludes ordinary shares held in the Enstar Group Limited Employee Benefit Trust (the "EB Trust") in respect of Joint Share Ownership Plan ("JSOP") awards, which, as a result of us consolidating the EB trust, are classified as treasury shares.

(2) Share-based dilutive securities include restricted shares, restricted share units, directors' restricted share units and performance share units. Certain share-based compensation awards were excluded from the calculation for the three and six months ended June 30, 2024 and 2023 because they were anti-dilutive. The number of potential common shares excluded from diluted shares outstanding was 47 shares for the three months ended June 30, 2024, and 287 and 18,156 shares for the six months ended June 30, 2024 and 2023 respectively, because the effect of including those common shares in the calculation would have been anti-dilutive. Securities may be anti-dilutive based on timing of forfeitures of share-based compensation awards or if the share price at grant date was greater than the average market price of our common shares. Refer to Note 22 to the Consolidated Financial Statements of our 2023 Form 10-K for additional information on the share-based compensation awards.

16. RELATED PARTY TRANSACTIONS

The following tables summarize our related party balances and transactions. Additional details about the nature of our relationships and transactions are disclosed in Note 24 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2023.

As of June 30, 2024	Stone Point [1] [2]	Monument	AmTrust	Core Specialty	Other [3]
	(in millions of U.S. dollars)				
Assets					
Fixed maturities, trading, at fair value	$ 56	$ —	$ —	$ —	$ —
Fixed maturities, AFS, at fair value	371	—	—	—	—
Equities, at fair value	150	—	202	—	—
Funds held	—	—	—	10	—
Other investments, at fair value	410	—	—	—	1,654
Equity method investments	—	47	—	259	12
Total investments	987	47	202	269	1,666
Cash and cash equivalents	15	—	—	—	—
Other assets	—	—	—	6	—
Liabilities					
Losses and LAE	—	—	—	165	—
Insurance and reinsurance balances payable	—	—	—	(14)	—
Other liabilities	6	—	—	—	—
Net assets	$ 996	$ 47	$ 202	$ 124	$ 1,666

(1) As of June 30, 2024, investment funds managed by Stone Point Capital LLC ("Stone Point") own 1,451,196 of our Voting Ordinary Shares, which constitutes 9.5% of our outstanding Voting Ordinary Shares.

(2) As of June 30, 2024, we had unfunded commitments of $118 million to other investments, and $12 million to privately held equity managed by Stone Point and its affiliated entities.

(3) Other related party investments include investments in limited partnerships and partnership-like limited liabilities companies, for which had we not elected the fair value option, would be accounted for as equity method investments. We have disclosed our investments in these entities on an aggregated basis as they are individually immaterial.

As of December 31, 2023	Stone Point	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)					
Assets						
Fixed maturities, trading, at fair value	$ 69	$ —	$ —	$ —	$ —	$ —
Fixed maturities, AFS, at fair value	428	—	—	—	—	—
Equities, at fair value	136	—	181	—	—	—
Funds held	—	—	—	—	19	—
Other investments, at fair value	446	—	—	—	—	1,602
Equity method investments	—	95	—	—	225	14
Total investments	1,079	95	181	—	244	1,616
Cash and cash equivalents	19	—	—	—	—	—
Other assets	—	—	—	20	9	—
Liabilities						
Losses and LAE	—	—	—	—	192	—
Net assets	$ 1,098	$ 95	$ 181	$ 20	$ 61	$ 1,616

	Three Months Ended June 30, 2024					
	Stone Point	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)					
REVENUES						
Net premiums earned	$ —	$ —	$ —	$ —	$ 2	$ —
Net investment income	3	—	2	—	—	2
Fair value changes in trading securities, funds held and other investments	14	—	23	—	—	24
Total revenues	17	—	25	—	2	26
EXPENSES						
Net incurred losses and LAE	—	—	—	—	(1)	—
Total expenses	—	—	—	—	(1)	—
(Loss) income from equity method investments	—	(16)	—	—	8	—
Total net income (loss)	$ 17	$ (16)	$ 25	$ —	$ 11	$ 26

	Three Months Ended June 30, 2023						
	Stone Point	Northshore	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)						
REVENUES							
Net premiums earned	$ —	$ —	$ —	$ —	$ —	$ (2)	$ —
Net investment income	1	—	—	1	—	—	1
Fair value changes in trading securities, funds held and other investments	(12)	(6)	—	(1)	—	—	(11)
Total revenues	(11)	(6)	—	—	—	(2)	(10)
EXPENSES							
Net incurred losses and LAE	—	—	—	—	—	(1)	—
Total expenses	—	—	—	—	—	(1)	—
Income from equity method investments	—	—	5	—	2	7	—
Total net (loss) income	$ (11)	$ (6)	$ 5	$ —	$ 2	$ 6	$ (10)

	Six Months Ended June 30, 2024					
	Stone Point	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)					
REVENUES						
Net premiums earned	$ —	$ —	$ —	$ —	$ 2	$ —
Net investment income	5	—	4	—	—	5
Fair value changes in trading securities, funds held and other investments	40	—	21	—	—	36
Total revenues	45	—	25	—	2	41
EXPENSES						
Net incurred losses and LAE	—	—	—	—	22	—
Total expenses	—	—	—	—	22	—
(Loss) income from equity method investments	—	(46)	—	—	34	(1)
Total net income (loss)	$ 45	$ (46)	$ 25	$ —	$ 14	$ 40

	Six Months Ended June 30, 2023						
	Stone Point	Northshore	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)						
REVENUES							
Net premiums earned	$ —	$ —	$ —	$ —	$ —	$ (2)	$ —
Net investment income	6	—	—	3	—	—	3
Net realized gains	1	—	—	—	—	—	—
Fair value changes in trading securities, funds held and other investments	2	(6)	—	(3)	—	—	33
Total revenues	9	(6)	—	—	—	(2)	36
EXPENSES							
Net incurred losses and LAE	—	—	—	—	—	(11)	—
Total expenses	—	—	—	—	—	(11)	—
Income from equity method investments	—	—	4	—	3	18	—
Total net income (loss)	$ 9	$ (6)	$ 4	$ —	$ 3	$ 27	$ 36

17. COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk

We are subject to credit risk principally in relation to our:

i. investments, including equity method investments;
ii. cash and cash equivalents and restricted cash and cash equivalents;
iii. assets pledged to ceding companies under reinsurance contracts;
iv. (re)insurance balances recoverable on paid and unpaid losses; and
v. funds held by reinsured companies and funds held - directly managed (together funds held).

As of June 30, 2024, we had funds held concentrations to reinsurance counterparties exceeding 10% of shareholders' equity of $4.2 billion (December 31, 2023: $4.8 billion) in aggregate. However, we generally have the contractual ability to offset any shortfall in the payment of the funds held balances with amounts owed by us.

We limit the amount of credit exposure to any one counterparty, and none of our counterparty credit exposures, excluding U.S. government and agency instruments and the reinsurance counterparties noted above, exceeded 10% of shareholders' equity as of June 30, 2024. As of June 30, 2024, our credit exposure to the U.S. government and agency instruments was $812 million (December 31, 2023: $932 million).

Legal Proceedings

We are, from time to time, involved in various legal proceedings in the ordinary course of business, including litigation and arbitration regarding claims. Estimated losses relating to claims arising in the ordinary course of business, including the anticipated outcome of any pending arbitration or litigation, are included in the liability for losses and LAE in our unaudited condensed consolidated balance sheets. In addition to claims litigation, we may be subject to other lawsuits and regulatory actions in the normal course of business, which may involve, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity. We do not believe that the resolution of any currently pending legal proceedings, either individually or taken as a whole, will have a material effect on our business, results of operations or financial condition. We anticipate that, similar to the rest of the (re)insurance industry, we will continue to be subject to litigation and arbitration proceedings in the ordinary course of business, including litigation generally related to the scope of coverage with respect to A&E and other claims.

Unfunded Investment Commitments

As of June 30, 2024, we had unfunded commitments of $1.5 billion to other investments, and $12 million to privately held equity.

Guarantees

As of June 30, 2024, and December 31, 2023 parental guarantees supporting reinsurance obligations, defendant A&E liabilities, subsidiary capital support arrangements and credit facilities were $2.3 billion, for both periods. We also guarantee the 2040 and 2042 Junior Subordinated Notes, which have an aggregate principal amount of $850 million as of June 30, 2024 and December 31, 2023.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context indicates otherwise, the terms "Enstar," "we," "us" or "our" mean Enstar Group Limited and its consolidated subsidiaries.

The following discussion and analysis of our financial condition as of June 30, 2024 and our results of operations for the three and six months ended June 30, 2024 and 2023 should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report and the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Some of the information contained in this discussion and analysis or included elsewhere in this quarterly report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and the timing of events could differ materially from those anticipated by these forward-looking statements as a result of many factors, including those discussed under "Cautionary Statement Regarding Forward-Looking Statements" and Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

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Operational Highlights

Our consolidated results for the six months ended June 30, 2024 reflect our continued progress on providing capital release solutions to our clients by acquiring and managing their run-off portfolios.

Capital Activity

In March 2024, Cavello Bay Reinsurance Limited (“Cavello”), a wholly-owned subsidiary of Enstar, was assigned an S&P Insurer Financial Strength Rating of ‘A’ with stable outlook. Cavello is Enstar’s primary non-life run-off consolidator, and a Class 3B reinsurer.

Transactions

In June 2024, one of our wholly-owned subsidiaries completed an ADC and LPT agreement with Accredited Surety and Casualty Company, Inc. and Accredited Insurance (Europe) Limited (together, “Accredited”) relating to a diversified portfolio, including asbestos, general casualty, and workers’ compensation.

As a result of this transaction, we assumed net loss reserves of $297 million in exchange for consideration of $282 million.

Refer to Note 3 to the interim financial statements for a description of additional agreements that were signed during the second quarter 2024 but not closed as of June 30, 2024.

Consolidated Results of Operations - For the Three and Six Months Ended June 30, 2024 and 2023

Primary GAAP Financial Measures

We use the following GAAP measures to manage the company and monitor our performance:

- Net income and net income attributable to Enstar ordinary shareholders, collectively provide a measure of our performance focusing on underwriting, investment and expense results;
- Comprehensive income attributable to Enstar, which provides a measure of the total return, including unrealized gains and losses on fixed maturities, AFS investments, as well as other elements of other comprehensive income;
- Book value per share ("BVPS"), which we use to measure the value of our company over time;
- Return on equity ("ROE"), which measures our profitability by dividing our net income attributable to Enstar ordinary shareholders by opening Enstar ordinary shareholders' equity;
- Total investment return ("TIR"), which measures the rate of return we obtain, realized, unrealized and fair value changes, on our investments; and
- Run-off liability earnings ("RLE") and RLE %, which measure both the dollar amount of prior period development on our acquired portfolios (RLE) and the percentage of prior period development relative to average net loss reserves, calculated by dividing our prior period development by our average net loss reserves (RLE %).

The following table sets forth certain condensed consolidated financial information:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	$ / pp Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	$ / pp Change
	(in millions of U.S. dollars, except per share data)					
Technical Results						
Net premiums earned	$ 5	$ 7	$ (2)	$ 16	$ 15	$ 1
Net incurred losses and LAE						
Current period	4	3	1	9	13	(4)
Prior period	(62)	(10)	(52)	(86)	(20)	(66)
Total net incurred losses and LAE	(58)	(7)	(51)	(77)	(7)	(70)
Acquisition costs	1	4	(3)	2	6	(4)
Investment Results						
Net investment income	155	172	(17)	315	328	(13)
Net realized losses	(9)	(25)	16	(15)	(43)	28
Fair value changes in trading securities, funds held and other investments	86	(2)	88	171	204	(33)
(Loss) income from equity method investments	(8)	14	(22)	(13)	25	(38)
Other (loss) income	(1)	2	(3)	(1)	282	(283)
Amortization of net deferred charge assets	29	24	5	59	41	18
General and administrative expenses	98	85	13	185	174	11
NET INCOME	136	39	97	264	558	(294)
Less: Net income attributable to noncontrolling interests	(1)	(9)	8	(1)	(95)	94
NET INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	$ 126	$ 21	$ 105	$ 245	$ 445	$ (200)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSTAR	$ 142	$ 38	$ 104	$ 242	$ 277	$ (35)
GAAP measures:						
ROE	2.5 %	0.5 %	2.0 pp	4.9 %	10.0 %	(5.1) pp
Annualized ROE				9.8 %	19.9 %	(10.1) pp
Annualized TIR				5.0 %	6.1 %	(1.1) pp
RLE				0.8 %	0.2 %	0.6 pp
Non-GAAP measures:						
Adjusted ROE*	2.9 %	2.1 %	0.8 pp	5.6 %	8.6 %	(3.0) pp
Annualized Adjusted ROE*				11.2 %	17.2 %	(6.0) pp
Annualized Adjusted TIR*				5.6 %	5.6 %	— pp
Adjusted RLE *				0.7 %	0.3 %	0.4 pp

	As of June 30, 2024	As of December 31, 2023	$ Change
GAAP measure:			
BVPS	$ 358.74	$ 343.45	$ 15.29
Non-GAAP measure:			
Fully diluted BVPS*	$ 350.74	$ 336.72	$ 14.02

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

Overall Results

Three Months Ended June 30, 2024 versus 2023:

Net income attributable to Enstar ordinary shareholders for the three months ended June 30, 2024 was $126 million, in comparison to $21 million in the comparative quarter, as a result of:

- An increase of $52 million in prior period favorable development in net incurred losses and LAE. Net favorable prior period development of $62 million in the current period was primarily due to a reduction in our estimates of net ultimate losses and provisions for ULAE of $64 million and a $4 million decrease in the fair value of our 2017 and 2018 LPT liabilities where we elected the fair value option, partially offset by amortization of fair value adjustments of $6 million. Second quarter 2023 prior period net favorable development of $10 million was primarily due to a reduction in our estimates of net ultimate losses of $8 million and an $8 million decrease in the fair value of our 2017 and 2018 LPT liabilities where we elected the fair value option, partially offset by amortization of fair value adjustments of $6 million. This resulted in RLE of 0.6% for the three months ended June 30, 2024 in comparison to RLE of 0.1% in the comparative quarter; and
- Total investment returns recognized in income of $224 million for the three months ended June 30, 2024, in comparison to $159 million for the comparative quarter, consisting of the aggregate of net investment income, net realized losses, fair value changes in trading securities, funds held and other investments, and (loss) income from equity method investments. The total investment returns in each period were driven by:
    - Net investment income of $155 million for the three months ended June 30, 2024 compared to $172 million in the prior year quarter, due to an overall reduction in investments and funds held assets as a result of claims payments which outpaced new business relative to the periods, as well as higher investment expenses primarily due to increased performance fees;
    - Fair value changes in our fixed maturities resulting in a $26 million loss for the three months ended June 30, 2024 compared with a $64 million loss in the comparative quarter;
    - Fair value changes in our other investments, including equities, resulting in a $112 million gain for the three months ended June 30, 2024 compared with a $62 million gain in the comparative quarter;
    - Net realized losses on our fixed maturities of $9 million, for the three months ended June 30, 2024 compared to a $25 million loss in the comparative quarter; and
    - Loss from equity method investments of $8 million for the three months ended June 30, 2024 compared to $14 million income in the comparative quarter as a result of increased losses on our investment in Monument Re.

This was partially offset by:

- An increase in the amortization of net deferred charge assets of $5 million, driven by an increase in net DCA balances as a result of transactions completed during and subsequent to the second quarter of 2023; and
- An increase in general and administrative expenses of $13 million, primarily driven by higher legal fees and salaries and benefits expenses due to inflation and other staff related costs. This is partially offset by decreases in other general and administrative expenses.

The above factors contributed to net income of $136 million for the three months ended June 30, 2024 as compared to net income of $39 million in the comparative quarter, as well as net income attributable to Enstar ordinary shareholders of $126 million as compared to $21 million in the comparative quarter. Consequently, our ROE was 2.5% in the current quarter compared to 0.5% in the comparative quarter.

Comprehensive income attributable to Enstar for the three months ended June 30, 2024 was $142 million as compared to $38 million in the comparative quarter. The second quarter 2024 comprehensive income was primarily due to net income of $136 million and unrealized gains on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange of $3 million. The unrealized gains on our fixed maturities, AFS, combined with our favorable investment results, described above, contributed to a net favorable Annualized TIR of 5.2% for the three months ended June 30, 2024, in comparison to an Annualized TIR of 3.0% in the comparative quarter.

Six Months Ended June 30, 2024 versus 2023:

Net income attributable to Enstar ordinary shareholders decreased by $200 million from $445 million in the comparative period to $245 million for the six months ended June 30, 2024, as a result of:

- A decrease in other income of $283 million, largely driven by the first quarter 2023 net gain recognized from the novation of the Enhanzed Re reinsurance of a closed block of life annuity policies;
- Total investment returns recognized in income of $458 million for the six months ended June 30, 2024, in comparison to $514 million for the comparative period, consisting of the aggregate of net investment income, net realized losses, fair value changes in trading securities, funds held and other investments, and (loss) income from equity method investments. The total investment returns in each period were driven by:
  - Net investment income of $315 million for the six months ended June 30, 2024 compared to $328 million in the prior period, due to an overall reduction in investments and funds held assets as a result of claims payments which outpaced new business relative to the periods, as well as less dividend income earned on our publicly traded equities and increased investment expenses primarily due to increased performance fees;
  - Fair value changes in our fixed maturities resulting in a $45 million loss for the six months ended June 30, 2024 compared with a $5 million loss in the comparative quarter;
  - Fair value changes in our other investments (excluding fixed maturities), including equities, resulting in a $216 million gain for the six months ended June 30, 2024 compared with a $209 million gain in the comparative quarter;
  - Net realized losses on our fixed maturities of $15 million, for the six months ended June 30, 2024 compared to a $43 million loss in the comparative quarter; and
  - Losses from equity method investments of $13 million for the six months ended June 30, 2024 compared to $25 million income in the comparative period as a result of increased losses on our investment in Monument Re, partially offset by an increase in income on our investment in Core Specialty; and
- An increase in general and administrative expenses of $11 million primarily driven by higher salaries and benefits expenses due to inflationary rises and other staff related costs.

This was partially offset by:

- An increase of $66 million in favorable development in prior period net incurred losses and LAE relative to the comparative period. First half 2024 net prior period favorable development of $86 million was primarily due to a reduction in our estimates of net ultimate losses and provisions for ULAE of $87 million and an $8 million decrease in the fair value of our 2017 and 2018 LPT liabilities where we elected the fair value option, partially offset by fair value amortization of $9 million. First half 2023 net prior period favorable development of $20 million was primarily due to a reduction in our estimates of net ultimate losses and provisions for ULAE of $41 million, partially offset by a $12 million increase in the fair value of liabilities where we elected the fair value option and fair value amortization of $9 million. This resulted in RLE of 0.8% for the six months ended June 30, 2024 in comparison to RLE of 0.2% in the comparative period; and
- A decrease in net income attributable to noncontrolling interests of $94 million, as a result of recording the portion of the gain on novation of the Enhanzed Re reinsurance of a closed block of life annuity policies attributable to Allianz’s equity interest in Enhanzed Re in the prior period.

The above factors contributed to net income of $264 million for the six months ended June 30, 2024 as compared to $558 million net income in the comparative period, as well as net income attributable to Enstar ordinary shareholders of $245 million as compared to $445 million in the comparative period. Consequently, our ROE was 4.9% for the six months ended June 30, 2024 compared to 10.0% for the six months ended June 30, 2023.

Comprehensive income attributable to Enstar for the six months ended June 30, 2024 was $242 million as compared to $277 million in the comparative period. Year to date 2024 comprehensive income was primarily due to net income of $264 million and unrealized losses on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange of $9 million. The unrealized losses on our fixed maturities, AFS, combined with our favorable investment return, described above, contributed to a net favorable Annualized TIR of 5.0% for the six months ended June 30, 2024, in comparison to an Annualized TIR of 6.1% in the comparative period.

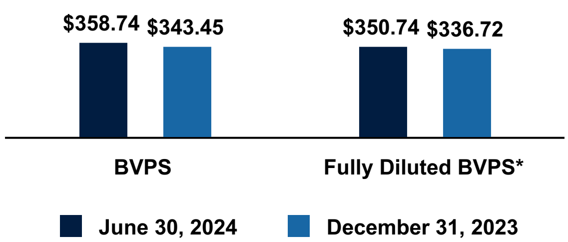
BVPS and Fully Diluted BVPS* increased by 4.5% and 4.2%, respectively, from December 31, 2023 to June 30, 2024, primarily due to comprehensive income attributable to Enstar for the six months ended June 30, 2024, which contributed 4.8% to both BVPS and Fully Diluted BVPS*.

The cumulative unrealized loss and fair value changes in our fixed maturities portfolio and funds held was $803 million as of June 30, 2024, which has adversely impacted BVPS by $54.76 per share and Fully Diluted BVPS* by $53.53 per share as of June 30, 2024. This compares to $1.05 billion of cumulative unrealized loss and fair value changes in our fixed maturities portfolio and funds held as of June 30, 2023.

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

Overall Measures of Performance

BVPS and Fully Diluted BVPS*



BVPS and Fully Diluted BVPS* increased by 4.5% and 4.2%, respectively, from December 31, 2023 to June 30, 2024, primarily as a result of comprehensive income attributable to Enstar of $242 million. The cumulative unrealized loss and fair value changes in our fixed maturities portfolio and funds held was $803 million as of June 30, 2024, which adversely impacted BVPS by $54.76 per share and FDBVPS* by $53.53 per share.

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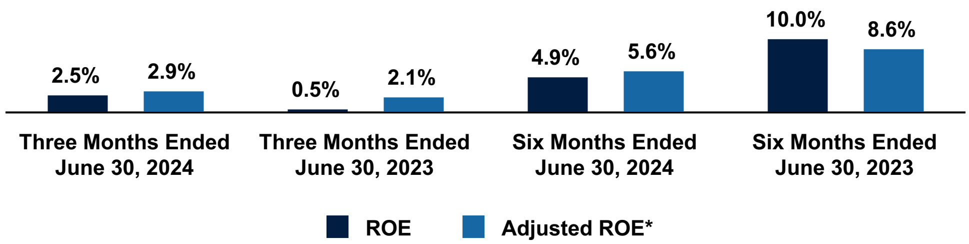
ROE and Adjusted ROE*



Three and Six Months Ended June 30, 2024 versus 2023: ROE increased by 2.0 pp for the three months ended June 30, 2024 and decreased by 5.1 pp for the six months ended June 30, 2024 compared to 2023. The key drivers of the changes in ROE are as follows:

	Three Months Ended			
	June 30, 2024	June 30, 2023	Change	ROE pp change
				ROE Impact
	(in millions of U.S. dollars)			%
Net investment income	$ 155	$ 172	$ (17)	(0.4)%
Fair value changes on fixed maturities	(26)	(64)	38	0.9 %
Fair value changes on other investments, including equities	112	62	50	1.1 %
Prior period net incurred losses and LAE	62	10	52	1.2 %
General and administrative expenses	(98)	(85)	(13)	(0.3)%
Loss (income) from equity method investments	(8)	14	(22)	(0.5)%
Other	(71)	(88)	17	— %
Total change in ROE			105	2.0 %
Opening Equity	$ 5,122	$ 4,367		

	Six Months Ended			
	June 30, 2024	June 30, 2023	Change	ROE pp change
				ROE Impact
	(in millions of U.S. dollars)			%
Net investment income	$ 315	$ 328	$ (13)	(0.3)%
Fair value changes on fixed maturities	(45)	(5)	(40)	(0.9)%
Other (expense) income (primarily related to Enhanzed Re novation)	(1)	282	(283)	(6.3)%
Prior period net incurred losses and LAE	86	20	66	1.5 %
Amortization of deferred charge assets	(59)	(41)	(18)	(0.4)%
General and administrative expenses	(185)	(174)	(11)	(0.2)%
Loss (income) from equity method investments	(13)	25	(38)	(0.9)%
Net income attributable to noncontrolling interests	(1)	(95)	94	2.1 %
Other	148	105	43	0.3 %
Total change in ROE				(5.1)%
Opening Equity	$ 5,025	$ 4,464		

Adjusted ROE* increased by 0.8 pp for the three months ended June 30, 2024 and decreased 3.0 pp for the six months ended June 30, 2024, which excludes the impact of net realized losses and fair value changes on fixed maturities and funds held.

*Non-GAAP measure; refer to “Non-GAAP Financial Measures” section for reconciliation to the applicable GAAP financial measure.

We discuss the results of our operations by aggregating certain captions from our unaudited condensed consolidated statements of operations, as we believe it provides a more meaningful view of our results and eliminates repetition that would arise if captions were discussed on an individual basis.

In order to facilitate analysis, we have grouped the discussion into the following captions:

- **Technical results**: includes net premiums earned, net incurred losses and LAE and acquisition costs.
- **Investment results**: includes net investment income, net realized (losses) gains, fair value changes in trading securities, funds held and other investments, unrealized (losses) gains on fixed maturities, AFS (recorded through the unaudited condensed consolidated statements of other comprehensive income) and income (losses) from equity method investments.
- **General and administrative results**: includes general and administrative expenses.

Technical Results

Our strategy is focused on effectively managing (re)insurance portfolios underwritten in previous years that we assume through our provision of capital release solutions and acquisition of portfolios and businesses in run-off.

Net premiums earned and the associated current period net incurred losses and LAE and acquisition costs are the result of the recognition of unearned premiums from transactions completed in recent years.

Premiums earned in the Run-off segment are generally offset by the related current period net incurred losses and LAE and acquisition costs.

The components of technical results are as follows:

	Three Months Ended June 30,					
	2024			2023		
	Run-off	Corporate and other	Total	Run-off	Corporate and other	Total
	(in millions of U.S. dollars)					
Net premiums earned	$ 5	$ —	$ 5	$ 7	$ —	$ 7
Net incurred losses and LAE:						
Current period	4	—	4	3	—	3
Prior periods	(64)	2	(62)	(8)	(2)	(10)
Total net incurred losses and LAE	(60)	2	(58)	(5)	(2)	(7)
Acquisition costs	1	—	1	4	—	4
Technical results	$ 64	$ (2)	$ 62	$ 8	$ 2	$ 10

	Six Months Ended June 30,					
	2024			2023		
	Run-off	Corporate and other	Total	Run-off	Corporate and other	Total
	(in millions of U.S. dollars)					
Net premiums earned	$ 16	$ —	$ 16	$ 15	$ —	$ 15
Net incurred losses and LAE:						
Current period	9	—	9	13	—	13
Prior periods	(87)	1	(86)	(41)	21	(20)
Total net incurred losses and LAE	(78)	1	(77)	(28)	21	(7)
Acquisition costs	2	—	2	6	—	6
Technical results	$ 92	$ (1)	$ 91	$ 37	$ (21)	$ 16

Prior Periods - RLE - Three and Six Months Ended June 30, 2024 and 2023

The following tables summarize RLE, RLE %, Adjusted RLE* and Adjusted RLE %* by acquisition year for the three months ended June 30, 2024 and 2023, which management believes is useful in measuring and monitoring performance of our claims management activity on the portfolios that we have acquired. This permits comparability between acquisition years of different loss reserve volumes.

Refer to the table below for a summary of RLE, RLE %, Adjusted RLE* and Adjusted RLE %* for the three months ended June 30, 2024:

	Three Months Ended June 30, 2024					
	RLE			Adjusted RLE*		
Acquisition Year	RLE / PPD	Average net loss reserves	RLE %	Adjusted RLE / PPD*	Average adjusted net loss reserves*	Adjusted RLE %*
	(in millions of U.S. dollars)					
2014 and prior	$ 2	$ 921		$ 11	$ 683	
2015	—	225		—	230	
2016	5	557		5	615	
2017	4	556		2	763	
2018	1	519		1	580	
2019	2	908		3	1,387	
2020	—	339		—	339	
2021	23	2,766		18	3,076	
2022	31	1,971		31	1,971	
2023	(6)	1,763		(6)	1,763	
2024	—	148		—	148	
Total	$ 62	$ 10,673	0.6 %	$ 65	$ 11,555	0.6 %

*Non-GAAP measure; refer to “Non-GAAP Financial Measures” section for reconciliation to the applicable GAAP financial measure.

Three Months Ended June 30, 2024:

Our RLE % was 0.6% for the three months ended June 30, 2024, as favorable reductions in estimates of net ultimate losses, reductions in provisions for ULAE and net favorable changes in the fair value of liabilities for which we have elected the fair value option were partially offset by amortization of fair value adjustments.

Acquisition years 2021 and 2022 provided most of the favorable results for the period, driven by our construction defect line of business after assuming active claims management, as well as our professional indemnity/directors and officers, and general casualty lines of business, as a result of favorable claims experience. Acquisition year 2023 was unfavorably impacted by adverse development in our professional indemnity/directors and officers line of business, partially offset by favorable developments in the general casualty line of business.

Our Adjusted RLE %* was marginally impacted by the exclusion of the impact of the changes in the discount rate upon the fair value of liabilities where we have elected the fair value option and the amortization of fair value adjustments relating to purchased subsidiaries. It is also impacted by the change in estimate of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.

Refer to the table below for a summary of RLE, RLE %, Adjusted RLE* and Adjusted RLE %* for the three months ended June 30, 2023:

	Three Months Ended June 30, 2023					
	RLE			Adjusted RLE*		
Acquisition Year	RLE / PPD	Average net loss reserves	RLE %	Adjusted RLE / PPD*	Average adjusted net loss reserves*	Adjusted RLE %*
	(in millions of U.S. dollars)					
2014 and prior	$ (4)	$ 1,342		$ (4)	$ 1,051	
2015	2	274		3	280	
2016	1	665		1	731	
2017	11	555		1	792	
2018	—	695		5	779	
2019	2	1,014		1	1,537	
2020	1	489		—	489	
2021	10	3,319		14	3,687	
2022	(13)	2,808		(13)	2,808	
2023	—	921		—	921	
Total	$ 10	$ 12,082	0.1 %	$ 8	$ 13,075	0.1 %

*Non-GAAP measure; refer to “Non-GAAP Financial Measures” section for reconciliation to the applicable GAAP financial measure.

Three Months Ended June 30, 2023:

Our RLE % was insignificant for the three months ended June 30, 2023, as favorable reductions in estimates of net ultimate losses and changes in the fair value of liabilities for which we have elected the fair value option were largely offset by amortization of fair value adjustments.

Acquisition year 2017 provided favorable results for the period, predominantly driven by a reduction in the fair value of liabilities for which we have elected the fair value option, partially offset by an adjustment to reclassify the changes in net incurred losses and LAE relating to our credit risk. Acquisition year 2021 also provided favorable results for the period, driven by favorable claims experience in our workers’ compensation line of business. Adverse RLE in the 2022 acquisition year was driven by an increase in ULAE provisions as a result of assuming active claims management control on the 2022 LPT transaction with Argo.

Our Adjusted RLE %* was marginally impacted by the exclusion of the impact of the changes in the discount rate upon the fair value of liabilities where we have elected the fair value option and the amortization of fair value adjustments relating to purchased subsidiaries. It is also impacted by the change in estimate of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.

Six Months Ended June 30, 2024:

	Six Months Ended June 30, 2024					
	RLE			Adjusted RLE*		
Acquisition Year	RLE / PPD	Average net loss reserves	RLE %	Adjusted RLE / PPD*	Average adjusted net loss reserves*	Adjusted RLE %*
			(in millions of U.S. dollars)			
2014 and prior	$ (10)	$ 1,249		$ 3	$ 904	
2015	1	409		1	234	
2016	10	567		10	628	
2017	1	559		(6)	773	
2018	(10)	749		(8)	601	
2019	(1)	639		—	1,428	
2020	(12)	1,656		(12)	356	
2021	62	2,484		56	3,146	
2022	50	1,738		50	2,076	
2023	(5)	854		(5)	1,650	
2024	—	148		—	148	
Total	$ 86	$ 11,052	0.8 %	$ 89	$ 11,944	0.7 %

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

Our RLE % was 0.8% for the six months ended June 30, 2024, as favorable reductions in estimates of net ultimate losses, reductions in provisions for ULAE and net favorable changes in the fair value of liabilities for which we have elected the fair value option, partially offset by amortization of fair value adjustments.

Acquisition years 2021 and 2022 provided most of the favorable results for the period, driven by our professional indemnity/directors and officers, construction defect, general casualty and workers' compensation lines of business, as a result of favorable claims experience. Partially offsetting this, acquisition years 2020, 2018 and 2014 and prior were unfavorably impacted by increased settlement activity in the general casualty line of business.

Our Adjusted RLE %* was negatively impacted by the exclusion of the impact of the changes in the discount rate upon the fair value of liabilities where we have elected the fair value option and the amortization of fair value adjustments relating to purchased subsidiaries. It is also impacted by the change in estimate of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.

Six Months Ended June 30, 2023:

	Six Months Ended June 30, 2023					
	RLE			Adjusted RLE*		
Acquisition Year	RLE / PPD	Average net loss reserves	RLE %	Adjusted RLE / PPD*	Average adjusted net loss reserves*	Adjusted RLE %*
			(in millions of U.S. dollars)			
2014 and prior	$ 5	$ 1,434		$ 3	$ 944	
2015	3	277		4	295	
2016	1	675		3	743	
2017	(1)	556		2	797	
2018	(10)	720		3	809	
2019	1	1,029		1	1,555	
2020	14	529		14	531	
2021	17	3,360		24	3,842	
2022	(10)	2,974		(10)	2,981	
2023	—	921		—	921	
Total	$ 20	$ 12,475	0.2 %	$ 44	$ 13,418	0.3 %

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

Our RLE % was insignificant for the six months ended June 30, 2023, as favorable reductions in estimates of net ultimate losses and reductions in provisions for ULAE were largely offset by net unfavorable changes in the fair value of liabilities for which we have elected the fair value option and amortization of fair value adjustments.

Acquisition year 2020 provided favorable results primarily driven by a release of $10 million relating to COVID-19 exposures on our general casualty line of business. Acquisition year 2021 also provided favorable results, driven by continued favorable claims experience on our workers' compensation line of business.

Acquisition years 2017, and 2018 were unfavorably impacted by an increase in the fair value of liabilities for which we have elected the fair value option. Acquisition year 2022 was unfavorably impacted by an increase in ULAE provisions as a result of assuming active claims management control on the 2022 LPT transaction with Argo, partially offset by a reduction in provisions for ULAE in accordance with our run-off operations.

Our Adjusted RLE %* was positively impacted by the exclusion of the impact of the changes in the discount rate upon the fair value of liabilities where we have elected the fair value option and the amortization of fair value adjustments relating to purchased subsidiaries. It is also impacted by the change in estimate of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.

*Non-GAAP measure; refer to “Non-GAAP Financial Measures” section for reconciliation to the applicable GAAP financial measure.

Investment Results

We strive to structure our investment holdings and the duration of our investments in a manner that recognizes our liquidity needs, including our obligation to pay losses and LAE liabilities.

The components of our investment results split between our fixed income assets (which includes our short-term and fixed maturities classified as trading and AFS, funds held, cash and cash equivalents and restricted cash and cash equivalents, collectively our "Fixed Income" assets) and other investments (which includes equities and equity method investments, collectively our "Other Investments") for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three Months Ended June 30,					
	2024			2023		
	Fixed Income	Other Investments	Total	Fixed Income	Other Investments	Total
	(in millions of U.S. dollars)					
Net investment income	$ 136	$ 19	$ 155	$ 149	$ 23	$ 172
Net realized losses	(9)	—	(9)	(25)	—	(25)
Fair value changes in trading securities, funds held and other investments	(26)	112	86	(64)	62	(2)
(Loss) income from equity method investments	—	(8)	(8)	—	14	14
Other comprehensive income:						
Unrealized gains (losses) on fixed maturities, AFS, net of reclassification adjustments, excluding foreign exchange	3	—	3	(22)	—	(22)
TIR ($)	$ 104	$ 123	$ 227	$ 38	$ 99	$ 137
Annualized TIR %	3.3 %	9.6 %	5.2 %	1.1 %	8.2 %	3.0 %
Annualized Adjusted TIR %*	4.1 %	9.6 %	5.6 %	4.1 %	8.2 %	5.1 %

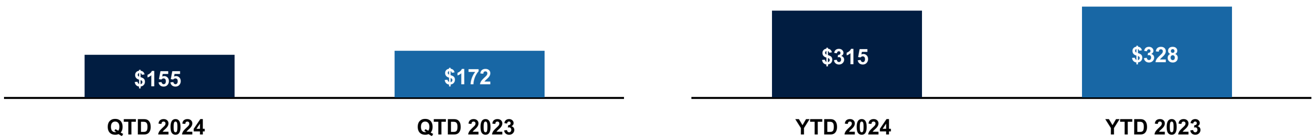
*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

	Six Months Ended June 30,					
	2024			2023		
	Fixed Income	Other Investments	Total	Fixed Income	Other Investments	Total
	(in millions of U.S. dollars)					
Net investment income	$ 276	$ 39	$ 315	$ 281	$ 47	$ 328
Net realized losses	(15)	—	(15)	(43)	—	(43)
Fair value changes in trading securities, funds held and other investments	(45)	216	171	(5)	209	204
(Loss) income from equity method investments	—	(13)	(13)	—	25	25
Other comprehensive income:						
Unrealized (losses) gains on fixed maturities, AFS, net of reclassification adjustments, excluding foreign exchange	(9)	—	(9)	65	—	65
TIR ($)	$ 207	$ 242	$ 449	$ 298	$ 281	$ 579
Annualized TIR %	3.2 %	9.6 %	5.0 %	4.3 %	11.5 %	6.1 %
Annualized Adjusted TIR %*	4.1 %	9.6 %	5.6 %	3.7 %	11.5 %	5.6 %

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measure.

Net Investment Income

The below charts are in millions of U.S. dollars.



Three Months Ended June 30, 2024 versus 2023: Net investment income decreased primarily due to:

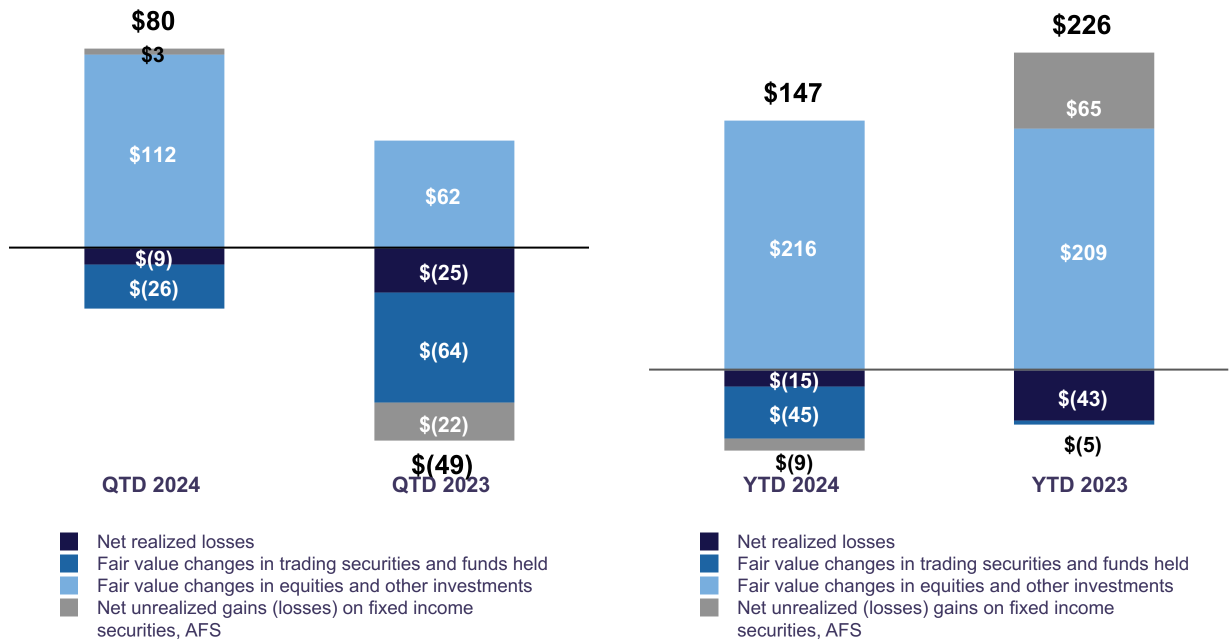
- an overall reduction in investments and funds held assets as a result of claims payments which outpaced new business relative to the periods; and
- higher investment expenses primarily due to increased performance fees.

Six Months Ended June 30, 2024 versus 2023: Net investment income decreased primarily due to:

- an overall reduction in investments and funds held assets as a result of claims payments which outpaced new business relative to the periods;
- a decrease in dividend income earned on our publicly traded equities; and
- higher investment expenses primarily due to increased performance fees.

Fair Value Changes, Net Realized Losses and Unrealized (Losses) Gains included in Comprehensive Income

The below charts are in millions of U.S. dollars.



Three Months Ended June 30, 2024 versus 2023: The net increase of $129 million when comparing the aggregate of fair value changes, realized losses and unrealized gains (losses) on fixed maturities, AFS for the three months ended June 30, 2024 to the comparative quarter was the result of:

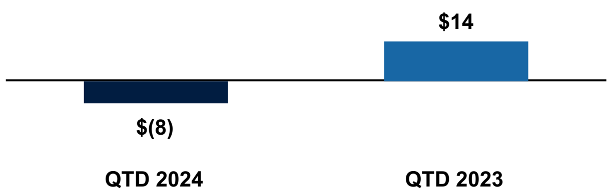
- a decrease in the aggregate of realized losses and losses from fair value changes in trading securities and funds held of $54 million, primarily as a result of comparatively less significant increase in interest rates across U.S., U.K. and European markets for the three months ended June 30, 2024 relative to the comparative quarter;
- net unrealized gains on fixed income securities, AFS of $3 million in the current quarter compared to net unrealized losses of $22 million in the comparative quarter primarily driven by significant increases in interest rates in the comparative quarter;
- an increase in the gain from fair value changes in other investments, including equities of $50 million, primarily driven by a favorable variance in relation to embedded derivatives pertaining to assets backing one of our LPT portfolios and increases in the gains for our CLO equities, hedge funds, private equity funds, privately held equities, and infrastructure. This is partially offset by decreases in the gain from publicly traded equities, fixed income funds, and real estate.

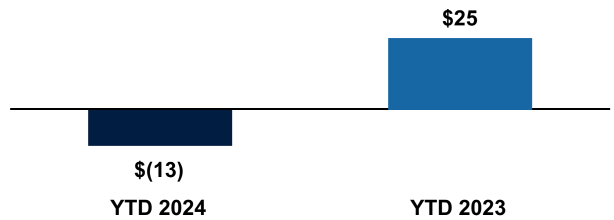
Six Months Ended June 30, 2024 versus 2023: The net decrease of $79 million when comparing the aggregate of fair value changes, realized losses and unrealized gains (losses) on fixed maturities, AFS for the six months ended June 30, 2024 to the comparative period was the result of:

- an increase in the aggregate of net realized losses and losses from fair value changes on trading securities and funds held of $12 million, as a result of comparatively more significant increases in interest rates in the U.S. as well as comparatively less significant tightening of credit spreads during the six months ended June 30, 2024 relative to the comparative period;
- net unrealized losses on fixed income securities, AFS of $9 million in the current period compared to net unrealized gains of $65 million in the comparative period, primarily driven by interest rate rises in the current period; as partially offset by;
- an increase in the gain on fair value changes from other investments, including equities, of $7 million, primarily driven by our privately held equities, CLO equities, hedge funds, and private equity funds relative to the comparative period, partially offset by decreased gains on publicly traded equities, private debt, and real estate, and an unfavorable variance in the fair value change of an embedded derivative in relation to the Aspen LPT.

(Loss) income from equity method investments

The below charts are in millions of U.S. dollars.





Three Months Ended June 30, 2024 versus 2023: The variance of $22 million is driven by losses from our investment in Monument Re of $16 million for the three months ended June 30, 2024 compared to income in the comparative quarter of $5 million.

Six Months Ended June 30, 2024 versus 2023: The variance of $38 million is driven by losses from our investment in Monument Re of $46 million for the six months ended June 30, 2024 compared to income in the comparative year of $4 million. This is partially offset by an increase in income from our investment in Core Specialty of $16 million.

Investable Assets

Investable assets and adjusted investable assets* decreased by 4.8% and 4.2%, respectively, from December 31, 2023 to June 30, 2024, primarily due to the impact of net paid losses, partially offset by investment income and the fair value change in our fixed maturities.

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" section for reconciliation to the applicable GAAP financial measures.

Duration and average credit rating on fixed maturities, cash and cash equivalents and fixed maturities included in funds held - directly managed

The fair value, duration and average credit rating of investments is as follows:

	June 30, 2024			December 31, 2023		
	Fair Value ($) [1]	Average Duration (in years) [2]	Average Credit Rating [3]	Fair Value ($) [1]	Average Duration (in years) [2]	Average Credit Rating [3]
Total	$ 9,384	3.90	A+	$ 10,320	4.04	A+

[1] The fair value by segment of our fixed maturities, cash and cash equivalents and fixed maturities included in funds held-directly managed portfolios does not include the carrying value of cash and cash equivalents within our funds held-directly managed portfolios.

[2] The average duration calculation includes cash and cash equivalents, short-term investments and fixed maturities, as well as the fixed maturities and cash and cash equivalents within our funds held-directly managed portfolios.

[3] The average credit rating calculation includes cash and cash equivalents, short-term investments, fixed maturities and the fixed maturities within our funds held - directly managed portfolios.

The overall decrease in the balance of our fixed maturities and cash and cash equivalents of $936 million when comparing June 30, 2024 to December 31, 2023 was primarily driven by the impact of net paid losses which outpaced new business for the period.

As of both June 30, 2024 and December 31, 2023, our fixed maturities and cash and cash equivalents had an average credit quality rating of A+ .

As of June 30, 2024 and December 31, 2023, our fixed maturities that were non-investment grade (i.e. rated lower than BBB- and non-rated securities) comprised $497 million, or 5.8%, and $456 million, or 4.8%, of our total fixed maturities portfolio, respectively.

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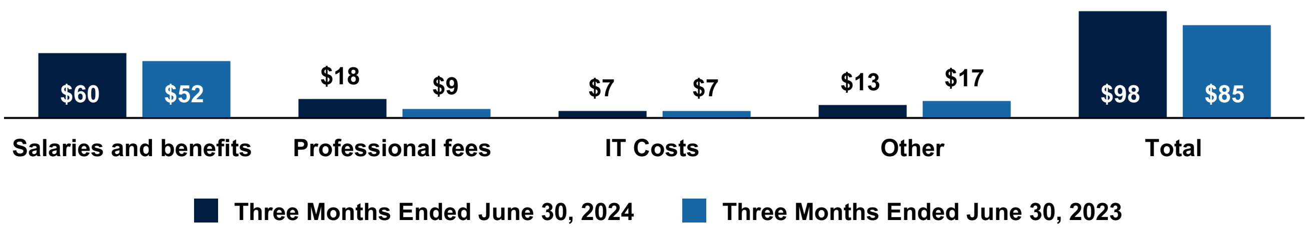
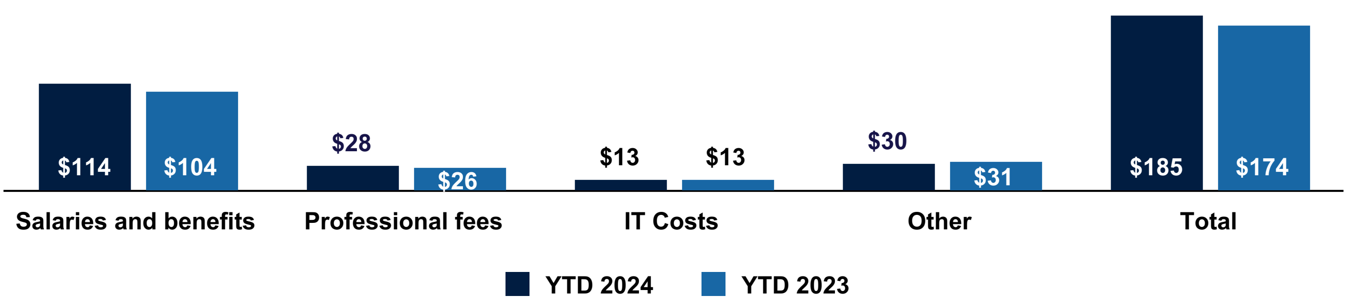
General and Administrative Expenses for the Three and Six Months Ended June 30, 2024 and 2023

The below chart is in millions of U.S. dollars.



Three Months Ended June 30, 2024 versus 2023: The $13 million increase was primarily driven by higher legal fees and salaries and benefits expenses due to prior period bonus accrual releases, inflation and other staff costs. This is partially offset by decreases in other general and administrative expenses.



Six Months Ended June 30, 2024 versus 2023: The $11 million increase was primarily driven by higher salaries and benefits expenses due to inflationary rises and prior year bonus releases.

Non-GAAP Financial Measures

In addition to our key financial measures presented in accordance with GAAP, we present other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation program.

These non-GAAP financial measures provide an additional view of our operational performance over the long-term and provide the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance.

The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Some of the adjustments reflected in our non-GAAP measures are recurring items, such as the exclusion of adjustments to net realized (gains)/losses and fair value changes on fixed maturity investments recognized in our statements of operations, the fair value of certain of our loss reserve liabilities for which we have elected the fair value option, and the amortization of fair value adjustments.

Management makes these adjustments in assessing our performance so that the changes in fair value due to interest rate movements, which are applied to some but not all of our assets and liabilities as a result of preexisting accounting elections, do not impair comparability across reporting periods.

It is important for the readers of our periodic filings to understand that these items will recur from period to period.

However, we exclude these items for the purpose of presenting a comparable view across reporting periods of the impact of our underlying claims management and investments without the effect of interest rate fluctuations on assets that we anticipate to hold to maturity and non-cash changes to the fair value of our reserves.

Similarly, our non-GAAP measures reflect the exclusion of certain items that we deem to be nonrecurring, unusual or infrequent when the nature of the charge or gain is such that it is not reasonably likely that such item may recur within two years, nor was there a similar charge or gain in the preceding two years. This includes adjustments related to bargain purchase gains on acquisitions of businesses, net gains or losses on sales of subsidiaries, net assets of held for sale or disposed subsidiaries classified as discontinued operations and other items that we separately disclose.

The following table presents more information on each non-GAAP measure. The results and GAAP reconciliations for these measures are set forth further below.

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Fully diluted book value per ordinary share	Total Enstar ordinary shareholders' equity Divided by Number of ordinary shares outstanding, adjusted for: *-the ultimate effect of any dilutive securities (which include restricted shares, restricted share units, directors' restricted share units and performance share units) on the number of ordinary shares outstanding*	Increases the number of ordinary shares to reflect the exercise of equity awards granted but not yet vested as, over the long term, this presents both management and investors with a more economically accurate measure of the realizable value of shareholder returns by factoring in the impact of share dilution. We use this non-GAAP measure in our incentive compensation program.

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted return on equity (%)	Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity	Calculating the operating income (loss) as a percentage of our adjusted opening Enstar ordinary shareholders' equity provides a more consistent measure of the performance of our business by enabling comparison between the financial periods presented.
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (*numerator*)	Net income (loss) attributable to Enstar ordinary shareholders, adjusted for: *-fair value changes and net realized (gains) losses on fixed maturities and funds held-directly managed,* *-change in fair value of insurance contracts for which we have elected the fair value option [(1)],* *-amortization of fair value adjustments,* *-net gain/loss on purchase and sales of subsidiaries (if any),* *-net income from discontinued operations (if any),* *-tax effects of adjustments, and* *-adjustments attributable to noncontrolling interests*	We eliminate the impact of fair value changes and net realized (gains) losses on fixed maturities and funds held-directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as: • we typically hold most of our fixed maturities until the earlier of maturity or the time that they are used to fund any settlement of related liabilities which are generally recorded at cost; and • removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option. Therefore, we believe that excluding their impact on our net income improves comparability of our core operational performance across periods.
Adjusted opening Enstar ordinary shareholders' equity (*denominator*)	Opening Enstar ordinary shareholders' equity, less: *-fair value changes on fixed maturities and funds held-directly managed,* *-fair value of insurance contracts for which we have elected the fair value option [(1)],* *-fair value adjustments, and* *-net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)*	We include fair value adjustments as non-GAAP adjustments to the adjusted operating income (loss) attributable to Enstar ordinary shareholders as they are non-cash charges that are not reflective of the impact of our claims management strategies on our loss portfolios. We eliminate the net gain (loss) on the purchase and sales of subsidiaries and net income from discontinued operations, as these items are not indicative of our ongoing operations. We use this non-GAAP measure in our incentive compensation program.

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted run-off liability earnings (%)	Adjusted PPD divided by average adjusted net loss reserves.	Calculating the RLE as a percentage of our adjusted average net loss reserves provides a more meaningful and comparable measurement of the impact of our claims management strategies on our loss portfolios across acquisition years and also to our overall financial periods. We use this measure to evaluate the impact of our claims management strategies because it provides visibility into our ability to settle our claims obligations for amounts less than our initial estimate at the point of acquiring the obligations. The following components of periodic recurring net incurred losses and LAE and net loss reserves are not considered key components of our claims management performance for the following reasons: • Prior to the settlement of the contractual arrangements, the results of our Legacy Underwriting segment were economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement[3]; as such, the results were not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies[2]; • The change in fair value of insurance contracts for which we have elected the fair value option[1] has been removed to support comparability between the two acquisition years for which we elected the fair value option in reserves assumed and the acquisition years for which we did not make this election (specifically, this election was only made in the 2017 and 2018 acquisition years and the election of such option is irrevocable); and • The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis. We include our performance in managing claims and estimated future expenses on our defendant A&E liabilities because such performance is relevant to assessing our claims management strategies even though such liabilities are not included within the loss reserves. We use this measure to assess the performance of our claim strategies and part of the performance assessment of our past acquisitions.
Adjusted prior period development *(numerator)*	Prior period net incurred losses and LAE, adjusted to: *Remove:* -Legacy Underwriting[2] *operations* *-amortization of fair value adjustments,* *-change in fair value of insurance contracts for which we have elected the fair value option* [1]*,* *and* *Add:* *-the reduction/(increase) in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.*	
Adjusted net loss reserves *(denominator)*	Net losses and LAE, adjusted to: *Remove:* -Legacy Underwriting[2] *net loss reserves* *-current period net loss reserves* *-net fair value adjustments associated with the acquisition of companies,* *-the fair value adjustments for contracts for which we have elected the fair value option* [1] *and* *Add:* *-net nominal defendant A&E liability exposures and estimated future expenses.*	
Adjusted total investment return (%)	Adjusted total investment return (dollars) recognized in net income for the applicable period divided by period average adjusted total investable assets.	Provides a key measure of the return generated on the capital held in the business and is reflective of our investment strategy. Provides a consistent measure of investment returns as a percentage of all assets generating investment returns. We adjust our investment returns to eliminate the impact of the change in fair value of fixed maturities (both credit spreads and interest rates), as we typically hold most of these investments until the earlier of maturity or used to fund any settlement of related liabilities which are generally recorded at cost.
Adjusted total investment return ($) (*numerator*)	Total investment return (dollars), adjusted for: *-fair value changes in fixed maturities, trading and funds held-directly managed; and* *-unrealized (gains) losses on fixed maturities, AFS included within OCI, net of reclassification adjustments and excluding foreign exchange.*	
Adjusted average aggregate total investable assets (*denominator*)	Total average investable assets, adjusted for: *-net unrealized (gains) losses on fixed maturities, AFS included within AOCI* *-fair value changes on fixed maturities, trading and funds held - directly managed*	

[1] Comprises the discount rate and risk margin components.

[2] As of January 1, 2024, not applicable. Refer to Note 4 - "Segment Information" for more detail.

[3] The reinsurance contractual arrangements (including the Capacity Lease Agreement) described in Note 6 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2023 were settled during the second quarter of 2023, and we did not record any transactions in the Legacy Underwriting segment in 2023.

Reconciliation of GAAP to Non-GAAP Measures

The table below presents a reconciliation of BVPS to Fully Diluted BVPS*:

	June 30, 2024			December 31, 2023		
	Equity [1]	Ordinary Shares	Per Share Amount	Equity [1]	Ordinary Shares	Per Share Amount
	(in millions of U.S. dollars, except share and per share data)					
Book value per ordinary share	$ 5,261	14,665,281	$ 358.74	$ 5,025	14,631,055	$ 343.45
Non-GAAP adjustment:						
Share-based compensation plans		334,625			292,190	
Fully diluted book value per ordinary share*	$ 5,261	14,999,906	$ 350.74	$ 5,025	14,923,245	$ 336.72

[1] Equity comprises Enstar ordinary shareholders' equity, which is calculated as Enstar shareholders' equity less preferred shares ($510 million) prior to any non-GAAP adjustments.

The table below presents a reconciliation of ROE to Adjusted ROE* and Annualized ROE to Annualized Adjusted ROE*:

	Three Months Ended							
	June 30, 2024				June 30, 2023			
	Net income (loss) [1]	Opening equity [1]	ROE	Annualized ROE	Net income (loss) [1]	Opening equity [1]	ROE	Annualized ROE
	(in millions of U.S. dollars)							
Net income/Opening equity/ROE/ Annualized ROE [1]	$ 126	$ 5,122	2.5 %	9.8 %	$ 21	$ 4,367	0.5 %	1.9 %
Non-GAAP adjustments for loss (gains):								
Net realized losses on fixed maturities, AFS [2] / Cumulative fair value changes to fixed maturities, AFS [3]	9	416			25	531		
Fair value changes on fixed maturities, trading [2] / Fair value changes on fixed maturities, trading [3]	16	251			42	316		
Fair value changes on funds held - directly managed [2] / Fair value changes on funds held - directly managed [3]	10	122			22	147		
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option [4]	(4)	(249)			(8)	(278)		
Amortization of fair value adjustments / Fair value adjustments	6	(103)			6	(121)		
Tax effects of adjustments [5]	(3)	—			(3)	—		
Adjusted net income /Adjusted opening equity/Adjusted ROE/ Annualized adjusted ROE*	$ 160	$ 5,559	2.9 %	11.5 %	$ 105	$ 4,962	2.1 %	8.5 %

[1] Net income (loss) comprises net income (loss) attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares ($510 million), prior to any non-GAAP adjustments.

[2] Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our unaudited condensed consolidated statements of operations. Fair value changes in our fixed maturities, trading and funds held - directly managed are included in fair value changes in trading securities, funds held and other investments in our unaudited condensed consolidated statements of operations.

[3] Our fixed maturities are held directly on our balance sheet and also within the "Funds held" balance.

[4] Comprises the discount rate and risk margin components.

[5] Represents an aggregation of the tax expense or benefit associated with the specific country to which the pre-tax adjustment relates, calculated at the applicable jurisdictional tax rate.

*Non-GAAP measure.

	Six Months Ended							
	June 30, 2024				June 30, 2023			
	Net income (loss) (1)	Opening equity (1)	ROE	Annualized ROE	Net income (loss) (1)	Opening equity (1)(2)	ROE	Annualized ROE
	(in millions of U.S. dollars)							
Net income/Opening equity/ROE (1)	$ 245	$ 5,025	4.9 %	9.8 %	$ 445	$ 4,464	10.0 %	19.9 %
Non-GAAP adjustments for loss (gains):								
Net realized losses on fixed maturities, AFS (2) / Cumulative fair value changes to fixed maturities, AFS (3)	15	380			43	647		
Fair value changes on fixed maturities, trading (3) / Fair value changes on fixed maturities, trading (4)	30	234			2	400		
Fair value changes on funds held - directly managed (3) / Fair value changes on funds held - directly managed (4)	15	111			3	780		
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option (5)	(8)	(246)			12	(294)		
Amortization of fair value adjustments / Fair value adjustments	9	(107)			9	(124)		
Tax effects of adjustments (6)	(5)	—			(6)	—		
Adjustments attributable to noncontrolling interests (7)	—	—			(2)	—		
Adjusted net income /Adjusted opening equity/Adjusted ROE*	$ 301	$ 5,397	5.6 %	11.2 %	$ 506	$ 5,873	8.6 %	17.2 %

(1) Net income (loss) comprises net income (loss) attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares ($510 million), prior to any non-GAAP adjustments.

(2) Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 9 to our unaudited condensed consolidated financial statements for further information.

(3) Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our unaudited condensed consolidated statements of operations. Fair value changes in our fixed maturities, trading and funds held - directly managed are included in fair value changes in trading securities, funds held and other investments in our unaudited condensed consolidated statements of operations.

(4) Our fixed maturities are held directly on our balance sheet and also within the "Funds held" balance.

(5) Comprises the discount rate and risk margin components.

(6) Represents an aggregation of the tax expense or benefit associated with the specific country to which the pre-tax adjustment relates, calculated at the applicable jurisdictional tax rate.

(7) Represents the impact of the adjustments on net income (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

*Non-GAAP measure.

The tables below present a reconciliation of RLE to Adjusted RLE*:

	Three Months Ended	As of			Three Months Ended
	June 30, 2024	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2024
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
	(in millions of U.S. dollars)				
PPD/net loss reserves/RLE %	$ 62	$ 10,518	$ 10,827	$ 10,673	0.6 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(9)	(5)	(7)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	6	98	103	101	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option [(1)]	(4)	253	249	251	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	497	516	506	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	31	32	31	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	$ 65	$ 11,388	$ 11,722	$ 11,555	0.6 %

[(1)] Comprises the discount rate and risk margin components.

*Non-GAAP measure.

	Three Months Ended	As of			Three Months Ended
	June 30, 2023	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
	(in millions of U.S. dollars)				
PPD/net loss reserves/RLE %	$ 10	$ 12,939	$ 11,226	$ 12,082	0.1 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(11)	(9)	(10)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	6	116	121	119	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option [(1)]	(8)	312	278	295	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	550	560	555	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	—	34	34	34	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	$ 8	$ 13,940	$ 12,210	$ 13,075	0.1 %

[(1)] Comprises the discount rate and risk margin components.

*Non-GAAP measure.

	Six Months Ended	As of			Six Months Ended
	June 30, 2024	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2024
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
	(in millions of U.S. dollars)				
PPD/net loss reserves/RLE/Annualized RLE	$ 86	$ 10,518	$ 11,585	$ 11,052	0.8 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(9)	—	(5)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	9	98	107	103	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option (1)	(8)	253	246	250	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	497	527	512	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	2	31	33	32	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/ Annualized Adjusted RLE*	$ 89	$ 11,388	$ 12,498	$ 11,944	0.7 %

(1) Comprises the discount rate and risk margin components.

*Non-GAAP measure.

	Six Months Ended	As of			Six Months Ended
	June 30, 2023	June 30, 2023	December 31, 2022	June 30, 2023	June 30, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average Net loss reserves	RLE %
	(in millions of U.S. dollars)				
PPD/net loss reserves/RLE/Annualized RLE	$ 20	$ 12,939	$ 12,011	$ 12,475	0.2 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(11)	—	(6)	
Legacy Underwriting	—	—	(139)	(70)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	9	116	124	120	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option (1)	12	312	294	303	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	550	572	561	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	34	35	35	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/ Annualized Adjusted RLE*	$ 44	$ 13,940	$ 12,897	$ 13,418	0.3 %

(1) Comprises the discount rate and risk margin components.

*Non-GAAP measure.

The tables below present a reconciliation of our Annualized TIR to our Annualized Adjusted TIR*:

	Three Months Ended June 30,					
	2024			2023		
	Fixed Income	Other Investments	Total	Fixed Income	Other Investments	Total
	(in millions of U.S. dollars)					
Net investment income	$ 136	$ 19	$ 155	$ 149	$ 23	$ 172
Net realized losses						
Fixed maturities, AFS	(9)	—	(9)	(25)	—	(25)
Net realized losses	(9)	—	(9)	(25)	—	(25)
Fair value changes						
Fixed maturities, trading	(16)	—	(16)	(42)	—	(42)
Funds held	(10)	—	(10)	(22)	—	(22)
Equity securities	—	35	35	—	39	39
Other investments	—	78	78	—	27	27
Investment derivatives	—	(1)	(1)	—	(4)	(4)
Fair value changes	(26)	112	86	(64)	62	(2)
(Loss) income from equity method investments	—	(8)	(8)	—	14	14
Other comprehensive income:						
Unrealized gains (losses) on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	3	—	3	(22)	—	(22)
TIR ($)	$ 104	$ 123	$ 227	$ 38	$ 99	$ 137
Non-GAAP adjustments:						
Net realized losses (gains) on fixed maturities, AFS and fair value changes in trading and funds held - directly managed	35	—	35	90	—	90
Net unrealized (gains) losses on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	(3)	—	(3)	22	—	22
Adjusted TIR ($)*	$ 136	$ 123	$ 259	$ 150	$ 99	$ 249
Total investments	$ 11,453	$ 5,170	$ 16,623	$ 13,228	$ 4,805	$ 18,033
Cash and cash equivalents, including restricted cash and cash equivalents	752	—	752	1,186	—	1,186
Total investable assets	$ 12,205	$ 5,170	$ 17,375	$ 14,414	$ 4,805	$ 19,219
Average aggregate invested assets, at fair value (1)	12,460	5,127	17,587	13,693	4,855	18,548
Annualized TIR % (2)	3.3 %	9.6 %	5.2 %	1.1 %	8.2 %	3.0 %
Non-GAAP adjustment:						
Net unrealized losses on fixed maturities, AFS included within AOCI and fair value changes on fixed maturities, trading and funds held - directly managed	803	—	803	1,053	—	1,053
Adjusted investable assets*	$ 13,008	$ 5,170	$ 18,178	$ 15,467	$ 4,805	$ 20,272
Adjusted average aggregate invested assets, at fair value* (3)	$ 13,256	$ 5,127	$ 18,383	$ 14,717	$ 4,855	$ 19,572
Annualized adjusted TIR %* (4)	4.1 %	9.6 %	5.6 %	4.1 %	8.2 %	5.1 %
Annualized income from fixed income assets (5)	576	—	576	612	—	612
Average aggregate fixed income assets, at cost (5)(6)	13,232	—	13,232	13,693	—	13,693
Annualized Investment book yield (7)	4.35 %	— %	4.35 %	4.47 %	— %	4.47 %

(1) This amount is a two period average of the total investable assets, as presented above, and is comprised of amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

(2) Annualized TIR % is calculated by dividing the annualized TIR ($) by average aggregate invested assets, at fair value.

(3) This amount is a two period average of the adjusted investable assets*, as presented above.

(4) Annualized adjusted TIR %* is calculated by dividing the annualized adjusted TIR* ($) by adjusted average aggregate invested assets, at fair value*.

(5) Fixed income assets include fixed maturities and cash and restricted cash, and funds held by reinsured companies.

(6) These amounts are a two period average of the amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

(7) Annualized investment book yield % is calculated by dividing the annualized income from fixed income assets by average aggregate fixed income assets, at cost.

*Non-GAAP measure.

	Six Months Ended					
	June 30, 2024			June 30, 2023		
	Fixed Income	Other Investments	Total	Fixed Income	Other Investments	Total
	(in millions of U.S. dollars)					
Net investment income	$ 276	$ 39	$ 315	$ 281	$ 47	$ 328
Net realized losses						
Fixed maturities, AFS	(15)	—	(15)	(43)	—	(43)
Net realized losses	(15)	—	(15)	(43)	—	(43)
Fair value changes						
Fixed maturities, trading	(30)	—	(30)	(2)	—	(2)
Funds held	(15)	—	(15)	(3)	—	(3)
Equity securities	—	72	72	—	92	92
Other investments	—	145	145	—	112	112
Investment derivatives	—	(1)	(1)	—	5	5
Fair value changes	(45)	216	171	(5)	209	204
(Loss) income from equity method investments	—	(13)	(13)	—	25	25
Other comprehensive income:						
Unrealized (losses) gains on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	(9)	—	(9)	65	—	65
TIR ($)	$ 207	$ 242	$ 449	$ 298	$ 281	$ 579
Non-GAAP adjustments:						
Net realized losses (gains) on fixed maturities, AFS and fair value changes in trading and funds held - directly managed	60	—	60	49	—	49
Net unrealized losses (gains) on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	9	—	9	(65)	—	(65)
Adjusted TIR ($)*	$ 276	$ 242	$ 518	$ 282	$ 281	$ 563
Total investments	$ 11,453	$ 5,170	$ 16,623	$ 13,228	$ 4,805	$ 18,033
Cash and cash equivalents, including restricted cash and cash equivalents	752	—	752	1,186	—	1,186
Total investable assets	$ 12,205	$ 5,170	$ 17,375	$ 14,414	$ 4,805	$ 19,219
Average aggregate invested assets, at fair value [(1)]	12,777	5,048	17,825	13,937	4,894	18,831
Annualized TIR % [(2)]	3.2 %	9.6 %	5.0 %	4.3 %	11.5 %	6.1 %
Non-GAAP adjustment:						
Net unrealized losses on fixed maturities, AFS included within AOCI and fair value changes on fixed maturities, trading and funds held - directly managed	803	—	803	1,053	—	1,053
Adjusted investable assets*	$ 13,008	$ 5,170	$ 18,178	$ 15,467	$ 4,805	$ 20,272
Adjusted average aggregate invested assets, at fair value* [(3)]	$ 13,549	$ 5,048	$ 18,597	$ 15,324	$ 4,894	$ 20,218
Annualized adjusted TIR %* [(4)]	4.1 %	9.6 %	5.6 %	3.7 %	11.5 %	5.6 %
Annualized income from fixed income assets [(5)]	588	—	588	578	—	578
Average aggregate fixed income assets, at cost [(5)(6)]	13,526	—	13,526	15,294	—	15,294
Annualized Investment book yield [(7)]	4.35 %	— %	4.35 %	3.78 %	— %	3.78 %

[(1)] This amount is a three period average of the total investable assets, as presented above, and is comprised of amounts disclosed in our first and second quarterly and our annual U.S. GAAP consolidated financial statements.

[(2)] Annualized TIR % is calculated by dividing the annualized TIR ($) by average aggregate invested assets, at fair value.

[(3)] This amount is a three period average of the adjusted investable assets*, as presented above.

[(4)] Annualized adjusted TIR %* is calculated by dividing the annualized adjusted TIR* ($) by adjusted average aggregate invested assets, at fair value*.

[(5)] Fixed income assets include fixed maturities and cash and restricted cash, and funds held by reinsured companies.

[(6)] These amounts are a three period average of the amounts disclosed in our first and second quarterly and our annual U.S. GAAP consolidated financial statements.

[(7)] Annualized investment book yield % is calculated by dividing the annualized income from fixed income assets by average aggregate fixed income assets, at cost.

*Non-GAAP measure.

Results of Operations by Segment - For the Three and Six Months Ended June 30, 2024 and 2023

Effective January 1, 2024, our business is organized into two reportable segments: (i) Run-off and (ii) Investments. In addition, our Corporate and other activities, which do not qualify as an operating segment, include income and expense items that are not directly attributable to our reportable segments and activities from the former Assumed Life and Legacy Underwriting reportable segments.

Effective January 1, 2024, Assumed Life and Legacy Underwriting are no longer reportable segments as they ceased all business activities following the series of commutation and novation transactions in Enhanzed Re and the settlement of the arrangements between SGL No. 1, Arden, and Atrium. Any residual activities of the former Assumed Life and Legacy Underwriting reportable segments will be prospectively included within our Corporate and other activities (all of which are expected to be immaterial). See Note 4 to the consolidated financial statements for additional information.

The following is a discussion of our results of operations by segment.

Run-off Segment

The following is a discussion and analysis of the results of operations for our Run-off segment.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	$ Change	2024	2023	$ Change
	(in millions of U.S. dollars)					
REVENUES						
Net premiums earned	$ 5	$ 7	$ (2)	$ 16	$ 15	$ 1
Other income:						
Reduction in estimates of net ultimate defendant A&E liabilities - prior periods	—	—	—	—	2	(2)
Reduction in estimated future defendant A&E expenses	1	—	1	2	1	1
All other income	2	5	(3)	4	7	(3)
Total other income	3	5	(2)	6	10	(4)
Total revenues	8	12	(4)	22	25	(3)
EXPENSES						
Net incurred losses and LAE:						
Current period	4	3	1	9	13	(4)
Prior periods:						
Reduction in estimates of net ultimate losses	(42)	(8)	(34)	(48)	(23)	(25)
Reduction in provisions for ULAE	(22)	—	(22)	(39)	(18)	(21)
Total prior periods	(64)	(8)	(56)	(87)	(41)	(46)
Total net incurred losses and LAE	(60)	(5)	(55)	(78)	(28)	(50)
Acquisition costs	1	4	(3)	2	6	(4)
General and administrative expenses	48	47	1	90	86	4
Total expenses	(11)	46	(57)	14	64	(50)
SEGMENT NET INCOME (LOSS)	$ 19	$ (34)	$ 53	$ 8	$ (39)	$ 47

Overall Results

Three Months Ended June 30, 2024 versus 2023: Net income from our Run-off segment was $19 million compared to net loss of $34 million in the comparative quarter, primarily due to:

- A $56 million increase in favorable PPD in the current quarter, mainly driven by a $34 million increase in the reduction in estimates of net ultimate losses and a $22 million release of ULAE provisions.

- During the second quarter of 2024, we recognized favorable development on our construction defect and professional indemnity/directors and officers lines of business of $24 million and $12 million, respectively, driven by favorable claims experience.
- In comparison, during the second quarter of 2023 we recognized favorable development of $9 million on our workers' compensation line of business as a result of favorable claims experience, most notably in the 2021 acquisition year. We also increased our ULAE provision by $21 million as a result of assuming active claims control on the 2022 LPT agreement with Argo, which offset other ULAE reserve adjustments from our run-off operations.

Six Months Ended June 30, 2024 versus 2023: Net income from our Run-off segment was $8 million compared to net loss of $39 million in the comparative period, primarily due to:

- A $46 million increase in favorable PPD, mainly driven by a $25 million increase in the reduction in estimates of net ultimate losses and a $21 million increase in the release of ULAE provisions relative to the comparative period.
    - During the first half of 2024, PPD was primarily driven by favorable development across multiple lines of business. We recognized $41 million and $22 million of favorable development on our professional indemnity/directors and officers and construction defect lines of business, respectively, as a result of favorable claims experience, as well as $25 million of favorable development on our asbestos line of business resulting from actuarial analysis. This was partially offset by adverse development on our general casualty line of business of $17 million driven by adverse claims experience and adverse development on our environmental line of business of $25 million due to results from actuarial reviews during the period.
    - In comparison, in the first half of 2023, we recognized favorable development of $20 million on our workers' compensation line of business as a result of continued favorable claims experience, most notably in the 2021 acquisition year.

Investments Segment

The following is a discussion and analysis of the results of operations for our Investments segment.

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	$ Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	$ Change
	(in millions of U.S. dollars)					
REVENUES						
Net investment income:						
Fixed maturities	$ 137	$ 145	$ (8)	$ 279	$ 276	$ 3
Cash and restricted cash	7	8	(1)	15	13	2
Other investments, including equities	19	23	(4)	39	47	(8)
Less: Investment expenses	(8)	(4)	(4)	(18)	(8)	(10)
Total net investment income	155	172	(17)	315	328	(13)
Net realized losses:						
Fixed maturities	(9)	(25)	16	(15)	(43)	28
Total net realized losses	(9)	(25)	16	(15)	(43)	28
Fair value changes in:						
Fixed maturities, trading	(26)	(64)	38	(45)	(5)	(40)
Other investments, including equities	112	62	50	216	209	7
Total fair value changes in trading securities and other investments	86	(2)	88	171	204	(33)
Total revenues	232	145	87	471	489	(18)
EXPENSES						
General and administrative expenses	10	10	—	20	21	(1)
Total expenses	10	10	—	20	21	(1)
(Loss) income from equity method investments	(8)	14	(22)	(13)	25	(38)
SEGMENT NET INCOME	$ 214	$ 149	$ 65	$ 438	$ 493	$ (55)

Overall Results

Three Months Ended June 30, 2024 versus 2023: Net income from our Investments segment was $214 million for the three months ended June 30, 2024 compared to $149 million for the three months ended June 30, 2023. The increase of $65 million was primarily due to:

- an increase in the gain from fair value changes in other investments, including equities of $50 million, primarily driven by a favorable variance in relation to an embedded derivative related to the assets supporting one of our LPTs and increases in the gains for our CLO equities, hedge funds, private equity funds, privately held equities and infrastructure. This is partially offset by decreases in the gain from publicly traded equities, fixed income funds, and real estate; and
- a decrease in the aggregate of net realized losses and losses from fair value changes in trading securities and funds held of $54 million, primarily as a result of moderating increases in interest rates across U.S., U.K. and European markets in the current period, relative to the comparative quarter. This is partially offset by;
- a decrease in our net investment income of $17 million due to an overall reduction in investments and funds held assets as a result of claims payments which outpaced new business relative to the periods and an increase in investment expenses primarily due to increased performance fees; and
- a loss from equity method investments of $8 million for the current quarter compared to $14 million income in the comparative quarter as a result of increased losses on our investment in Monument Re.

Six Months Ended June 30, 2024 versus 2023: Net income from our Investments segment was $438 million for the six months ended June 30, 2024 compared to $493 million for the six months ended June 30, 2023. The decrease of $55 million was primarily due to:

- an increase in the aggregate of net realized losses and losses from fair value changes in trading securities and funds held of $12 million, primarily as a result of comparatively more significant increase in interest rates in the U.S., as well as comparatively less significant tightening credit spreads;
- a loss from equity method investments of $13 million for the current period compared to $25 million income in the comparative period as a result of increased losses on our investment in Monument Re, partially offset by an increase in income on our investment in Core Specialty; and
- a decrease in our net investment income of $13 million, which is primarily due reductions in our investments and funds held assets as a result of claims payments which outpaced new business, less dividend income earned on our publicly traded equities and increased investment expenses primarily due to increased performance fees; partially offset by;
- an increase in the gain on fair value changes from other investments, including equities, of $7 million, primarily driven by our privately held equities, CLO equities, hedge funds, and private equity funds relative to the comparative period, partially offset by decreased gains on publicly traded equities, private debt, and real estate, and an unfavorable variance in relation to an embedded derivative related to the assets supporting one of our LPTs.

Total Investments

Fixed maturities

The below tables present the fair value, duration, and credit rating of our fixed maturities in our Run-off segment:

	June 30, 2024				December 31, 2023			
	Fair Value	%	Duration (years) [1]	Credit Rating [1]	Fair Value	%	Duration (years) [1]	Credit Rating [1]
	(in millions of U.S. dollars, except percentages)							
Fixed maturity and short-term investments, trading and AFS								
U.S. government & agency	$ 270	3.1 %	4.4	AA+	$ 326	3.4 %	4.5	AA+
U.K. government	51	0.6 %	10.8	A+	72	0.8 %	10.3	A+
Other government	343	4.0 %	4.7	AA	391	4.1 %	5.0	AA
Corporate	3,769	43.7 %	5.3	A-	4,131	43.5 %	5.4	A-
Municipal	120	1.4 %	7.0	AA-	142	1.5 %	7.6	AA-
Residential mortgage-backed	451	5.2 %	5.1	AA	487	5.1 %	5.2	AA
Commercial mortgage-backed	873	10.1 %	1.4	AA-	841	8.9 %	1.6	AA-
Asset-backed	846	9.8 %	1.4	A-	884	9.3 %	1.0	A
Total - Fixed maturity and short-term investments, trading and AFS	6,723	77.9 %	4.3	A	7,274	76.6 %	4.5	A
Fixed maturities included in funds held - directly managed	1,909	22.1 %	4.2	A	2,216	23.4 %	4.3	A
	$ 8,632	100.0 %	4.3	A	$ 9,490	100.0 %	4.4	A

[1] The average duration and average credit ratings calculation includes short-term investments, fixed maturities and the fixed maturities within our funds held-directly managed portfolios.

The overall decrease in our fixed maturities of $858 million when comparing June 30, 2024 to December 31, 2023 was primarily driven by the impact of net paid losses, partially offset by investment income and fair value changes.

Other investments, including equities

The below tables present the composition of our other investments, including equities:

	June 30, 2024	December 31, 2023
	(in millions of U.S. dollars)	
Equities		
Publicly traded equities	$ 292	$ 275
Exchange-traded funds	71	82
Privately held equities	382	344
Warrant and others	16	—
Total	$ 761	$ 701
Other investments		
Hedge funds	$ 551	$ 491
Fixed income funds	545	605
Equity funds	4	4
Private equity funds	1,794	1,617
CLO equities	49	60
CLO equity funds	160	182
Private credit funds	669	625
Real estate fund	319	269
Total	$ 4,091	$ 3,853

Our equities increased by $60 million and other investments increased by $238 million from December 31, 2023 to June 30, 2024, primarily due to fair value changes and the funding of various non-core asset strategies, in line with our strategic asset allocation.

Equity Method Investments

Refer to the below table for a summary of our equity method investments, which does not include those investments we have elected to measure under the fair value option:

	As of		Three Months Ended	Six Months Ended	As of		Three Months Ended	Six Months Ended
	June 30, 2024		June 30, 2024		December 31, 2023		June 30, 2023	
	Ownership %	Carrying Value	Income (loss) from Equity Method Investments		Ownership %	Carrying Value	Income (loss) from Equity Method Investments	
	(in millions of U.S. dollars)							
Citco [(1)]	— %	$ —	$ —	$ —	— %	$ —	$ 2	3
Monument Re [(2)]	24.6 %	47	(16)	(46)	20.0 %	95	5	4
Core Specialty	19.8 %	259	8	34	19.9 %	225	7	18
Other	27.0 %	12	—	(1)	27.0 %	14	—	—
		$ 318	$ (8)	$ (13)		$ 334	$ 14	$ 25

(1) Prior to the sale of our entire equity interest in Citco during the fourth quarter of 2023, we owned 31.9% of the common shares in HH CITCO Holdings Limited which in turn owns 15.4% of the convertible preferred shares, amounting to a 6.2% interest in the total equity of Citco.

(2) As of June 30, 2024, we owned 24.6% of the common shares in Monument Re. We converted all of our preferred shares in Monument Midco to common shares in Monument Re on January 2, 2024. As of December 31, 2023, we owned 20.0% of the common shares in Monument Re as well as preferred shares in Monument Midco which had fixed dividend yields (where declared) and whose balances were included in the Investment amount.

Carrying Value

The carrying value of our equity method investments decreased from December 31, 2023 primarily due to $13 million in loss from equity method investments for the six months ended June 30, 2024.

(Loss) Income from Equity Method Investments

Three Months Ended June 30, 2024 and 2023:

In the current quarter, there was a loss from equity method investments of $8 million compared to income of $14 million for comparative quarter. The decrease was primarily due a $16 million loss from our investment in Monument Re, compared to income of $5 million in the comparative quarter.

Six Months Ended June 30, 2024 and 2023:

In the first half of 2024, there was a loss from equity method investments of $13 million compared to income from of $25 million for the comparative period. The decrease was primarily due to a $46 million loss in Monument Re, compared to income of $4 million in the comparative period. This was partially offset by an increase in our income of $16 million from our investment in Core Specialty.

Assumed Life Segment

The Assumed Life segment consisted of life and property aggregate excess of loss (catastrophe) business relating to Enhanzed Re.

During 2022, Enhanzed Re entered into a Master Agreement, through which we completed a series of commutation and novation agreements that allowed us to unwind Enhanzed Re’s operations in an orderly manner.

Transactions completed in the fourth quarter of 2022 were recognized in the first quarter of 2023, including the novation of our reinsurance of a closed block of life annuity policies to Monument Re and the repurchase of the remaining 24.9% interest in Enhanzed Re from Allianz.

Overall Results

Six Months Ended June 30, 2023: Net income from our Assumed Life segment of $275 million for the six months ended June 30, 2023 was primarily due to the net gain recognized on the completion of the novation of the Enhanzed Re reinsurance of a closed block of life annuity policies.

The $275 million gain calculated as of the completion date of the novation, prior to noncontrolling interests, was comprised of three components:

- the reclassification benefit to income of $363 million from AOCI related to the settlement of the novated liabilities (in accordance with our adoption of ASU 2018-12, the discount rate assumption for our long-duration liabilities was required to be periodically adjusted for changes in interest rates, which had the effect of reducing our future policyholder benefit liabilities and increasing the net assets transferred in the novation);
- the loss of $39 million on the carrying value of the net assets of $133 million as of the closing date of the transaction in exchange for cash consideration of $94 million (as noted above, the retrospective adoption of ASU 2018-12 resulted in an increase in net assets which gave rise to the transactional loss prior to our realization of the $363 million reclassification benefit); and
- a deferral of a portion of the net gain, $49 million, to account for our preexisting 20% ownership interest in Monument Re, calculated from the total gain of $324 million less Allianz’s 24.9% interest equal to $81 million (the deferred gain will be amortized over the expected settlement period for the life annuity policies to account).

Our net income attributable to Enstar was further reduced by $81 million, the amount attributable to Allianz’s 24.9% noncontrolling interest in Enhanzed Re at the time of the transaction. This amount has been recorded within our “Corporate and other activities”.

Our total first half of 2023 net income attributable to Enstar from this novation transaction was $194 million.

Legacy Underwriting Segment

The former Legacy Underwriting segment previously consisted of direct underwriting activities.

Overall Results

Six Months Ended June 30, 2023:

The Legacy Underwriting segment results comprised of SGL No.1 Limited's ("SGL No.1") 25% gross share of the 2020 and prior underwriting years of Atrium's Syndicate 609 at Lloyd's, less the impact of reinsurance agreements with Arden and a Syndicate 609 Capacity Lease Agreement with Atrium 5 Limited.

The contractual arrangements between SGL No. 1, Arden and Atrium relating to the reinsurance agreements and the Capacity Lease Agreement settled in the second quarter of 2023 for the economic benefit of Atrium, and there was no net retention by Enstar. As a result of the settlement, we did not record and do not expect to record any transactions in the Legacy Underwriting segment in 2023 and 2024, respectively.

Corporate and other

The following is a discussion and analysis of our results of operations for our Corporate and other activities.

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	$ Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	$ Change
	(in millions of U.S. dollars)					
REVENUES						
Other income:						
Amortization of fair value adjustments [1]	$ (4)	$ (2)	$ (2)	$ (8)	$ (6)	$ (2)
All other income	—	(1)	1	1	3	(2)
Total revenues	(4)	(3)	(1)	(7)	(3)	(4)
EXPENSES						
Net incurred losses and LAE - prior periods:						
Amortization of fair value adjustments	6	6	—	9	9	—
Changes in fair value - fair value option [2]	(4)	(8)	4	(8)	12	(20)
Total net incurred losses and LAE - prior periods	2	(2)	4	1	21	(20)
Amortization of net deferred charge assets	29	24	5	59	41	18
General and administrative expenses	40	28	12	75	67	8
Total expenses	71	50	21	135	129	6
Interest expense	(23)	(22)	(1)	(45)	(45)	—
Net foreign exchange (losses) gains	(1)	(5)	4	8	1	7
Income tax benefit (expense)	2	4	(2)	(3)	5	(8)
Net income attributable to noncontrolling interests	(1)	(9)	8	(1)	(95)	94
Dividends on preferred shares	(9)	(9)	—	(18)	(18)	—
NET LOSS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	$ (107)	$ (94)	$ (13)	$ (201)	$ (284)	$ 83

[1] Amortization of fair value adjustments relates to the acquisition of DCo and Morse TEC.

[2] Comprises the discount rate and risk margin components.

Overall Results

Three Months Ended June 30, 2024 versus 2023: Net loss attributable to Enstar ordinary shareholders from our Corporate and other activities increased by $13 million from $94 million in the comparative quarter to $107 million for the three months ended June 30, 2024, primarily due to:

- an increase in general and administrative expenses of $12 million primarily due to higher legal fees and salaries and benefits expenses due to inflation and other staff costs;
- changes in the fair value of the 2017 and 2018 portfolios where we elected the fair value option which resulted in a $4 million reduction in liabilities in the first quarter of 2024 compared to $8 million in the comparative quarter primarily driven by a moderating increase in U.K. corporate bond yields during the first quarter of 2024 compared to the first quarter of 2023. The corporate bond yields, which form a component of the discount rate used to calculate the fair value of the liabilities, are matched to the original currencies of the underlying loss portfolios, of which GBP is the predominant currency for those portfolios that we have elected to measure at fair value using the fair value option. Partially offset by
- an increase in the amortization of net deferred charge assets of $5 million, driven by an increase in net DCA balances as a result of transactions completed during the second quarter of 2023;
- a decrease in net income attributable to noncontrolling interests of $8 million primarily due to the comparative quarter's earnings on StarStone Specialty Holdings Limited ("SSHL"). In December 2023, we purchased the remaining equity interest and no longer attribute earnings to noncontrolling interests for this subsidiary.

Six Months Ended June 30, 2024 versus 2023: Net loss attributable to Enstar ordinary shareholders from our Corporate and other activities decreased by $83 million from $284 million in the comparative period to $201 million for the six months ended June 30, 2024, primarily due to:

- a decrease in the net income attributable to noncontrolling interests of $94 million which was primarily a result of attributing $81 million of the gain on novation of the Enhanzed Re reinsurance closed block of life annuity policies in the comparative quarter to the then-existing Allianz 24.9% equity interest in Enhanzed Re at the time of the transaction;
- changes in the fair value of the 2017 and 2018 portfolios where we elected the fair value option resulted in a $8 million decrease in liabilities in the first half of 2024 due to increases in interest rates, in comparison to $12 million of unfavorable fair value changes in the comparative period;
- an increase in general and administrative expenses of $8 million, primary driven by higher salaries and benefits expenses due to inflationary rises and prior year bonus releases; partially offset by
- an increase in the amortization of net deferred charge assets of $18 million, driven by an increase in net DCA balances as a result of recently completed transactions.

Current Outlook

Merger Agreement

On July 29, 2024, we entered into the Merger Agreement, under which all of Enstar's issued and outstanding ordinary shares, par value $1.00 per share, will be converted into the right to receive $338 in cash per ordinary share, except for shares held by Sixth Street and certain shareholders who will reinvest in the merged entity. The total consideration to be paid to our shareholders in the Merger is approximately $5.1 billion. Completion of the Merger remains subject to certain conditions, including the approval of the Merger by our shareholders, as well as certain governmental and regulatory approvals. The Merger is currently expected to close in mid-2025; however, no assurance can be given as to when, or if, the Merger will occur. Refer to Note 1. Merger Agreement of our unaudited condensed consolidated financial statements for further information on the Merger Agreement.

Run-off Outlook

Transactions

Refer to Note 3. Significant New Business of our unaudited condensed consolidated financial statements for a summary of significant new business transactions that were signed but not yet closed as of June 30, 2024.

We have also expanded our run-off portfolio to reinsure certain property catastrophe risks written by third-party capital platforms which are funded by Insurance Linked Securities ("ILS"), whereby in July 2024, we closed on a deal to reinsure certain property coverage business written by a third-party capital platform for which Enstar will receive a premium of $350 million for the portfolio, which marks our first ever deal in ILS and the first solution of its type in this market.

We continue to evaluate transactions in our active pipeline including LPTs, ADCs, and other transaction types including acquisitions. We seek opportunities to execute creative and accretive transactions by offering innovative capital release solutions that enable our clients to meet their capital and risk management objectives.

Should we execute additional transactions, our mix of loss reserves by line of business, asset mix and both rate and timing of earnings may be impacted in the medium to long term.

Seasonality

We complete most of our annual loss reserve studies in the fourth quarter of each year and, as a result, tend to record the largest movements, both favorable and adverse, to net incurred losses and LAE in this period.

In the interim periods where a reserve study has not been completed, we perform quarterly reviews to ascertain whether changes to claims paid or case reserves have varied from our expectations developed during the last annual reserve review. In this event, we consider the timing and magnitude of the actual versus expected development, and we may record an interim adjustment to our recorded reserves if, and when, warranted.

Investment Outlook

We expect global financial markets to remain uncertain throughout 2024 due to the lagged impact of higher interest rates and tighter financial conditions, resilient inflation, US Presidential elections and the macroeconomic effects of ongoing geopolitical conflicts and tensions.

Market expectations around the future path of interest rates will represent a continued source of volatility, as global central banks attempt to engineer a soft landing by normalizing interest rates while closely monitoring inflation. If interest rates rise and/or credit spreads widen, we may recognize unrealized losses and fair value changes on our fixed maturities and incur a higher rate of borrowing and interest costs if we renew or borrow under credit facilities in the current environment.

Despite this, elevated interest rates can represent an opportunity for us in the medium to long term, notably;

- For the three months ended June 30, 2024, we hold 17.4% of our portfolio, or $3.0 billion, in fixed maturity investments with floating interest rates which, should interest rates remain elevated, would be accretive to future investment book yields. We have earned $59 million and $63 million of net investment income from our floating rate investments for the three months ended June 30, 2024 and 2023, respectively, which were generally indexed to LIBOR[1] through June 30, 2023 and SOFR thereafter.

- For the six months ended June 30, 2024, we hold 17.5% of our portfolio, or $3.0 billion in fixed maturity investments with floating interest rates which, should interest rates remain elevated, would be accretive to future investment book yields. We have earned $117 million and $119 million of net investment income from our floating rate investments for the six months ended June 30, 2024 and 2023, respectively, which were generally indexed to LIBOR[2] through June 30, 2023 and SOFR thereafter.
- Higher interest rates have provided us with the opportunity to reinvest at higher yields as our securities mature or as we invest a significant portion of consideration received from new business in fixed maturities.

We expect that the cumulative unrealized losses and fair value changes we have recognized on our fixed maturities will be recouped as these assets get closer to their maturity and the prices pull to par, assuming we do not, or are otherwise not required to, sell such investments prior to maturity. We may also undertake tactical repositioning of our portfolio as opportunities arise to achieve better alignment with our investment strategy, rather than waiting for certain fixed maturities to pull to par, which may result in the recognition of previously unrealized losses within our income statement with a corresponding reclassification adjustment in other comprehensive income. Such adjustments would be neutral to equity since the unrealized losses are recorded as a component of accumulated other comprehensive income. Any investment repositioning may also have a corresponding impact to our investment book yield.

We expect global equity markets to remain volatile in 2024, and this, combined with our reporting lag on certain investments, may impact the valuation of our risk investments. We invest in public and private assets, which may vary in the magnitude of their exposure to any potential economic downturn and other macroeconomic factors.

Despite these challenges, we remain committed to our strategic asset allocation and expect our investments to provide attractive risk adjusted returns and diversification benefits over the medium to long term.

Inflation

We continue to monitor the inflationary impacts resulting from pandemic-related government stimulus and labor force supply pressures on our loss cost trends.

Commencing in 2021, economic inflation rose significantly before peaking in mid-2022 and returning to low single digits in late 2023 and through mid-2024. During this period our net loss reserves have not been significantly impacted by these inflationary pressures.

Social inflation has been a persistent headwind for the industry for some time. We continue to monitor and seek to actively resolve claims in difficult judicial districts. We closely follow these trends and proactively set appropriate reserves.

As described above, global economic policy responses to inflation have contributed to increases in interest rates, which, in the short term, have had a significant impact on our investments, in particular our fixed maturities. Any further rise in interest rates will have further negative impacts on our fixed maturities in the form of unrealized losses and fair value changes.

There remains uncertainty around the future of inflation. We continue to monitor liquidity, capital and the potential earnings impact of these changes but remain focused on medium to long term asset allocation decisions.

We expect to continue to benefit from our allocation to investments with inflationary pass-through components, including investments in private equity, private credit, real estate, and infrastructure asset classes.

Inflation, tight labor conditions and higher service costs continue to put pressure on wages and prices, which could impact our general and administrative expenses as we remain focused on being a competitive employer in our market.

[1] LIBOR was ceased on June 30, 2023 and replaced by the Secured Overnight Financing Rate (“SOFR”).
[2] LIBOR was ceased on June 30, 2023 and replaced by the Secured Overnight Financing Rate (“SOFR”).

Geopolitical Conflicts

Heightened geopolitical conflicts, including the Russian invasion of Ukraine and the more recent conflicts in the Middle East, are directly and indirectly (through comprehensive sanctions regimes) contributing to increased commodity prices, disrupted supply chains, global financial market volatility and significant industry losses.

We continue to monitor our direct investment and underwriting risks and our acquisition pipeline as a result of these ongoing conflicts. To date, we are not aware of operational disruption to us or our third party service providers as a result of these conflicts, and we have not identified any significant direct impacts from these events. We also continue to monitor for, and respond to, all changes in the global sanctions regime, updating our procedures accordingly.

Minimum Corporate Income Tax

In December 2021, the OECD released the final model rules on Pillar II, an initiative proposing a global minimum tax rate of 15% designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate. We have several subsidiaries in jurisdictions that have enacted, or intend to enact, Pillar II legislation, including particularly the U.K., Australia and Belgium.

In response to Pillar II initiatives, the government of Bermuda enacted a 15% corporate income tax in December 2023 that will become effective January 1, 2025. Based on our substantial operations in Bermuda, we expect a meaningful portion of our income will be subject to the Bermuda corporate income tax. However, the Bermuda Corporate income tax will mitigate the impact of Pillar II.

We continue to monitor ongoing developments relating to these new tax regimes.

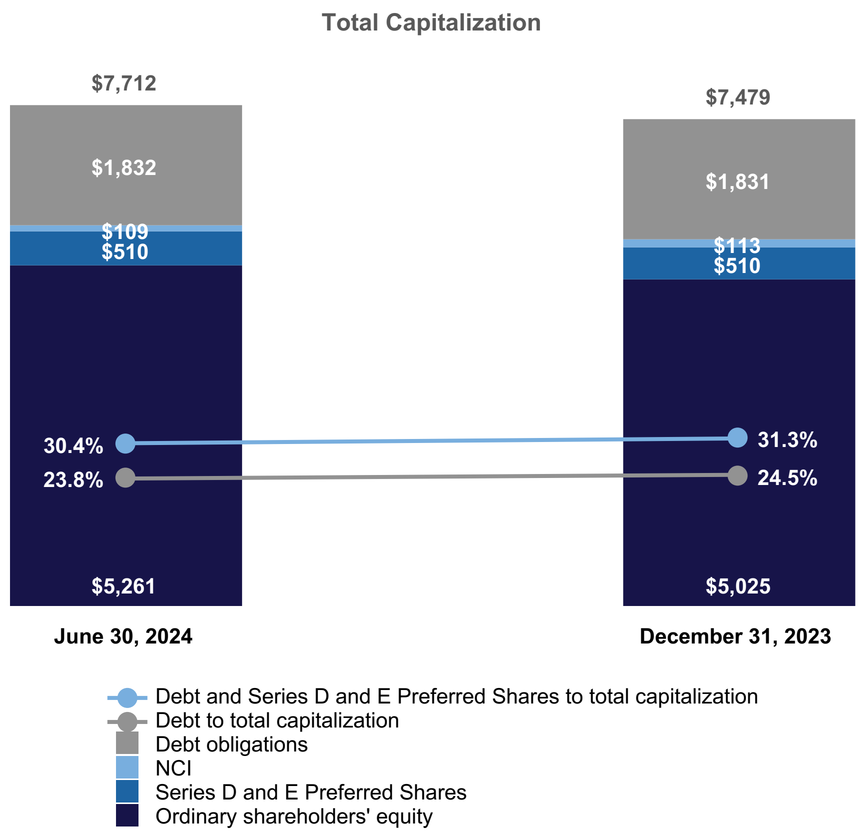
Liquidity and Capital Resources

Overview

We aim to generate cash flows from our (re)insurance operations and investments, preserve sufficient capital for future acquisitions and new business, and develop relationships with lenders who provide borrowing capacity at competitive rates.

As of June 30, 2024 we had $469 million of cash and cash equivalents, excluding restricted cash, that supports (re)insurance operations. Included in this amount was $246 million held by our foreign subsidiaries outside of Bermuda.

We closed 2023 with an estimated solvency capital ratio of 195%. Based upon our financial fundamentals and available funding sources, we continue to believe we have access to adequate liquidity and capital resources to meet business requirements under current market conditions and reasonably possible stress scenarios for the foreseeable future. We continuously monitor our liquidity and capital positions and adjust as required by market conditions. The following represent our total capitalization and capitalization attributable to Enstar as of June 30, 2024 and December 31, 2023.



Total capitalization attributable to Enstar excluding NCI was $7.60 billion as of June 30, 2024 and $7.37 billion as of December 31, 2023. Debt and Series D and E preferred shares to total capitalization attributable to Enstar was 30.8% and 31.8% as of June 30, 2024 and December 31, 2023, respectively. Debt to total capitalization attributable to Enstar was 24.1% and 24.9% as of June 30, 2024 and December 31, 2023, respectively.

Under the eligible capital rules of the Bermuda Monetary Authority (“BMA”), our Preferred Shares qualify as Tier 2 capital when considering the Bermuda Solvency Capital Requirements (“BSCR”).

For purposes of the financial covenants in our credit facilities, total debt excludes hybrid capital (defined as our Junior Subordinated Notes) not exceeding 15% of total capital attributable to Enstar. As of June 30, 2024, we were in compliance with the financial covenants in our credit facilities.

Liquidity and Capital Resources of Holding Company and subsidiaries

Holding Company Liquidity

We conduct substantially all of our operations through our subsidiaries. As such, the potential sources of liquidity to Enstar as a holding company consist of cash flows from our subsidiaries, including dividends, advances and loans, and interest income on loans to our subsidiaries. We have available borrowing capacity under our revolving credit facility, and we have obtained funding through the issuance of senior notes and preferred shares. The holding company also guarantees our Junior Subordinated Notes issued by one of our subsidiaries in prior years.

As of June 30, 2024, we had $800 million of available unutilized capacity under our unsecured revolving credit agreement, which expires in May 2028. We may request additional commitments under the facility up to an aggregate amount of $200 million, which the existing lenders, in their discretion, or new lenders, may provide.

We use cash to fund new acquisitions of companies. We also utilize cash for our operating expenses associated with being a public company and to pay dividends on our preferred shares and interest and principal on loans from subsidiaries and debt obligations, including loans under our credit facilities, our Senior Notes and our Junior Subordinated Notes.

We may, from time to time, raise capital from the issuance of equity, debt or other securities as we continuously evaluate our strategic opportunities. We filed an automatic shelf registration statement in March 2023 with the SEC to allow us to conduct future offerings of certain securities, if desired, including debt, equity and other securities.

As we are a holding company and have no substantial operations of our own, our assets consist primarily of investments in subsidiaries and our loans and advances to subsidiaries. Dividends from our (re)insurance subsidiaries are restricted by (re)insurance laws and regulations, as described below. The ability of all of our subsidiaries to make distributions and transfers to us may also be restricted by, among other things, other applicable laws and regulations and the terms of our credit facilities and our subsidiaries' bank loans and other issued debt instruments.

Based on our group's current corporate structure with a Bermuda domiciled parent company and the jurisdictions in which we operate, if the cash and cash equivalents held by our foreign subsidiaries were to be distributed to us, as dividends or otherwise, such amount would not be subject to incremental income taxes; however, in certain circumstances withholding taxes may be imposed by some jurisdictions, including by the United States.

Based on existing tax laws, regulations and our current intentions, there were no accruals as of June 30, 2024 for any material withholding taxes on dividends or other distributions.

Sources and Uses of Cash

Cash and cash equivalents decreased by $78 million during the six months ended June 30, 2024, which was largely due to cash used in operating and financing activities of $268 million and $24 million, respectively, partially offset by cash provided by investing activities of $211 million.

Cash and cash equivalents decreased by $144 million during the six months ended June 30, 2023, which was largely due to cash used in financing and investing activities of $533 million and $31 million, respectively, partially offset by cash provided by operating activities of $437 million.

We monitor cash flows at the consolidated and entity levels. Cash flow forecasts at the consolidated and entity levels are provided on a monthly basis, and we use trend and variance analyses to project future cash needs, making adjustments to the forecasts when needed. We typically generate operating cash inflows from consideration on run-off reinsurance coverages and income received from our investments, while outflows generally consist of paid losses and loss adjustment expenses and operating expenses. These net cash flows are then used to pay off interest on debt and preferred share dividends and invested to support the obligations of our reinsured coverages and required capital supporting these coverages. Our cash flows from operating activities are affected by the timing of consideration and investment income received and expenses paid.

The following table shows our net cash flows for the six months ended June 30, 2024 and 2023:

	Analysis of Sources and Uses of Cash		
	Six Months Ended June 30,		
	2024	2023	$ Change
	(in millions of U.S. dollars)		
Operating Cash Flow Activities			
Net paid losses	$ (1,216)	$ (1,189)	$ (27)
Net cash acquired on completion of acquisitions and new business	—	402	(402)
Net sales and maturities of trading securities	283	500	(217)
Net investment income received	252	242	10
Cash consideration received for novation	—	94	(94)
Other sources, net	413	388	25
Net cash flows (used in) provided by operating activities	(268)	437	(705)
Investing Cash Flow Activities			
Net sales of AFS securities	268	(7)	275
Net purchases of other investments	(78)	(25)	(53)
Other sources	21	1	20
Net cash flows provided by (used in) investing activities	211	(31)	242
Financing Cash Flow Activities			
Preferred share dividends	(18)	(18)	—
Share repurchases	—	(340)	340
Other	(6)	(175)	169
Net cash flows used in financing activities	$ (24)	$ (533)	$ 509

Analysis of Sources and Uses of Cash

Operating Cash Flow Activities

2024 vs 2023: Cash used in operating activities of $268 million for the six months ended June 30, 2024 was driven by net paid losses of $1.22 billion, partially offset by net sales and maturities of trading securities of $283 million, $252 million from receipt of net investment income and other sources of $413 million, which was largely generated by the release of funds held balances to cover net paid claims on certain portfolios. In comparison, cash provided by operating activities of $437 million for the six months ended June 30, 2023 was driven by net sales and maturities of trading securities of $500 million and other sources of $388 million, which was largely generated by the release of funds held balances to cover net paid claims on certain portfolios, partially offset by the payment of general and administrative and interest expenses. We also received $402 million of cash as partial consideration for the QBE and RACQ LPTs, net investment income of $242 million and cash consideration for the Enhanzed Re novation of $94 million. These net inflows were partially offset by net paid losses of $1.19 billion.

Investing Cash Flow Activities

2024 vs 2023: Cash provided by investing activities of $211 million for the six months ended June 30, 2024 was primarily due to net sales of fixed maturities, AFS of $268 million, partially offset by net purchases of other investments of $78 million. In comparison, cash used in investing activities of $31 million for the six months ended June 30, 2023 was primarily due to net sales of fixed maturities, AFS and other investments of $7 million and $25 million, respectively.

Financing Cash Flow Activities

2024 vs 2023: Cash used in financing activities of $24 million for the six months ended June 30, 2024 was primarily driven by the payment of preferred share dividends of $18 million. In comparison, cash used in financing activities of $533 million for the six months ended June 30, 2023 was largely driven by share repurchases of $340 million, as a result of our strategic repurchase of our non-voting convertible ordinary shares during the first quarter of 2023, in addition to Enhanzed Re’s repurchase of the entire 24.9% ownership interest Allianz held in Enhanzed Re for $175 million.

U.S. Finance Company Liquidity

Enstar Finance is a wholly-owned finance subsidiary under which we have issued our Junior Subordinated Notes. Similar to our holding company, Enstar Finance is dependent upon funds from other subsidiaries to pay any amounts due under the Junior Subordinated Notes in the form of distributions or loans, which may be restricted by, among other things, other applicable laws and regulations and the terms of our credit facilities and our subsidiaries' bank loans and other issued debt instruments.

Liquidity in Operating Companies

We expect that our operating companies will generate sufficient liquidity, together with our existing capital base and cash and investments acquired and from new business transactions, to meet cash requirements and to operate our business.

Sources of funds to our operating companies primarily consist of cash and investment portfolios acquired on the completion of acquisitions and new business, investment income earned, proceeds from sales and maturities of investments and collection of reinsurance recoverables. We also collect small amounts of premiums and fee and commission income.

Cash balances acquired upon the purchase of (re)insurance companies are classified as cash provided by investing activities, whereas cash from new business is classified as cash provided by operating activities.

The primary uses of funds by our operating companies are claims payments, investment purchases, operating expenses and collateral requirements.

The ability of our (re)insurance subsidiaries to pay dividends and make other distributions is limited by the applicable laws and regulations of the jurisdictions in which our (re)insurance subsidiaries operate, including Bermuda, the United Kingdom, the United States, Australia and Continental Europe, which subject these subsidiaries to significant regulatory restrictions.

These laws and regulations require, among other things, certain of our (re)insurance subsidiaries to maintain minimum capital requirements and limit the amount of dividends and other payments that these subsidiaries can pay to us, which in turn may limit our ability to pay dividends and make other payments.

As of June 30, 2024, to our knowledge, all of our (re)insurance subsidiaries' capital requirement levels were in excess of the minimum levels required for their respective regulatory jurisdictions.

Our subsidiaries' ability to pay dividends and make other forms of distributions may also be limited by our repayment obligations under certain of our outstanding credit facility agreements and other debt instruments. Variability in ultimate loss payments and collateral amounts required may also result in increased liquidity requirements for our subsidiaries.

Debt Obligations

We utilize debt financing and loan facilities primarily for funding acquisitions and significant new business, investment activities and, from time to time, for general corporate purposes.

Our debt obligations as of June 30, 2024 and December 31, 2023 were as follows:

Facility	Due Date	June 30, 2024	December 31, 2023
		(in millions of U.S. dollars)	
4.95% Senior Notes	May 2029	$ 496	$ 496
3.10% Senior Notes	September 2031	496	496
Total Senior Notes		992	992
5.75% Junior Subordinated Notes	August 2040	346	345
5.50% Junior Subordinated Notes	January 2042	494	494
Total Junior Subordinated Notes		840	839
Total debt obligations		$ 1,832	$ 1,831

Under the eligible capital rules of the BMA, the Senior Notes qualify as Tier 3 capital and the Junior Subordinated Notes qualify as Tier 2 capital when considering the BSCR.

We may from time to time seek to retire or purchase our outstanding debt through cash purchases, redemptions and/or exchanges for other securities, in open market purchases, privately negotiated transactions or otherwise. Any such repurchases, redemptions or exchanges will be dependent upon several factors, including our liquidity requirements, contractual restrictions, general market conditions and applicable regulatory, legal and accounting factors.

Credit Ratings

The following table presents our credit ratings as of July 31, 2024:

Credit ratings [(1)]	Standard and Poor's	Fitch Ratings
Long-term issuer	BBB+ (Outlook: Stable)	BBB+ (Outlook: Stable)
2029 Senior Notes	BBB+	BBB
2031 Senior Notes	BBB	BBB
2040 and 2042 Junior Subordinated Notes	BBB-	BBB-
Series D and E Preferred Shares	BBB-	BBB-

[(1)] Credit ratings are provided by third parties, Standard & Poor's and Fitch Ratings, and are subject to certain limitations and disclaimers. For information on these ratings, refer to the rating agencies' websites and other publications.

Agency ratings are not a recommendation to buy, sell or hold any of our securities and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating[3].

Contractual Obligations

Reserves for Losses and LAE

We generally attempt to match the duration of our investment portfolio to the duration of our general liability profile and generally seek to maintain investment portfolios that are shorter or of equivalent duration to the liabilities in order to provide liquidity for the settlement of losses and, where possible, to avoid having to liquidate longer-dated investments. The settlement of liabilities also has the potential to accelerate the natural payout of losses and policyholder benefits, which may require additional liquidity. As of June 30, 2024 and December 31, 2023, the weighted average estimated durations of our Run-off segment gross reserves for losses and LAE were 4.69 and 4.72 years, respectively.

Share Repurchases, Return of Capital and Dividends

We believe that the best investment is in our business, by funding future transactions and meeting our financing obligations. We may choose to return value to shareholders in the form of share repurchases or dividends. To date, we have not declared any dividends on our ordinary shares. We may re-evaluate this strategy from time to time based on overall market conditions and other factors.

As part of the proposed Merger Agreement as set out in Note 1. Merger Agreement of our unaudited condensed consolidated financial statements, Enstar has agreed to a return of capital of approximately $500 million to our shareholders, as part of the total $338 per ordinary share received.

We have 16,000 Series D Preferred Shares with an aggregate liquidation value of $400 million and 4,400 Series E Preferred Shares with an aggregate liquidation value of $110 million. The dividends on both Series of Preferred Shares are non-cumulative and may be paid quarterly in arrears, only when, as and if declared.

Any payment of common or preferred dividends must be approved by our Board. Our ability to pay ordinary and preferred dividends is subject to certain restrictions.

[3] For information on risks related to our credit ratings, refer to "Item 1A. Risk Factors - Risks Relating to Liquidity and Capital Resources" and "Item 1A. Risk Factors - Risks Relating to Ownership of our Shares" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Off-Balance Sheet Arrangements

As of June 30, 2024, we have entered into certain investment commitments and parental guarantees. We do not believe it is reasonably likely that these arrangements will have a material unplanned current or future effect on our financial condition as they are considered in normal course of business and on-going stress testing.

We also utilize unsecured and secured letters of credit[4] ("LOCs") and a deposit facility.

The following table represents our outstanding unfunded investment commitments and LOCs by duration as of June 30, 2024:

	Short-Term Less than 1 Year	Long-Term More than 1 Year	Total
	(in millions of U.S. dollars)		
Investing Activities			
Unfunded investment commitments	$ 322	$ 1,191	$ 1,513
Financing Activities			
Letters of credit	$ —	$ 1,777	1,777

[4] Refer to Note 18 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for further details.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are principally exposed to four types of market risk: interest rate risk, credit risk, equity price risk and foreign currency risk. For the six months ended June 30, 2024, there were no material changes to these market risks or our policies to address these market risks, as disclosed in “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of June 30, 2024. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that we maintained effective disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and timely reported as specified in the rules and forms of the U.S. Securities and Exchange Commission and is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see Note 17 to our unaudited condensed consolidated financial statements, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Our results of operations and financial condition are subject to numerous risks and uncertainties described in “Risk Factors” included in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. Other than as described below, the risk factors identified therein have not materially changed.

On July 29, 2024, the Company entered into the Merger Agreement with Elk Bidco Limited (the “Parent”), an exempted company limited by shares existing under the laws of Bermuda. The Parent is backed by equity commitments from investment vehicles managed or advised by affiliates of Sixth Street. Pursuant to the Merger Agreement, there will be a series of mergers resulting in the Company surviving the Merger as a wholly-owned subsidiary of the Parent. Refer to Note 1. Merger Agreement of our unaudited condensed consolidated financial statements for further information on the Merger Agreement.

The Merger Agreement was unanimously approved by the Company’s Board of Directors. The description of the Merger Agreement in these risk factors does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit 2.1 to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 29, 2024.

Risks Related to the Proposed Merger

While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could harm our business relationships, financial condition, results of operations and business.

During the period prior to the closing of the Merger and pursuant to the terms of the Merger Agreement, our business is exposed to certain incremental risks and contractual restrictions that could harm our business relationships, financial condition, results of operations, and business, including:

- the proposed Merger and its announcement could have an adverse effect on our ability to retain clients and retain and hire key personnel and maintain relationships with our clients and business partners;
- the diversion of management time and attention, as well as distraction of our key personnel, from the Company’s ordinary course of business operations;
- delays or deferments of certain business decisions by our clients and business partners, who may defer decisions about working with us, move to our competitors, or seek to delay or change existing business relationships with us;
- our inability to, among other things, solicit other acquisition proposals following 35 days after the signing of the Merger Agreement, pursue alternative business opportunities, freely issue securities, incur or refinance certain indebtedness, or take certain actions without Parent’s prior approval;
- the proposed Merger and the termination fee of $145 million (or $102 million if such termination occurs during the “go-shop” period), that we may be required to pay under certain circumstances if the Merger does not close, may negatively impact the structure, pricing and terms proposed by a third party seeking to acquire or merge with the Company or deter such third party from making a competing acquisition proposal;
- the inability to make strategic changes to our business because the Merger Agreement requires us to use commercially reasonable efforts to conduct our business in the ordinary course of business consistent with past practice in all material respects and not engage in certain kinds of transactions prior to the completion of the proposed Merger without Parent’s approval;
- negative publicity as a result of significant delays in completing the Merger or the failure to complete the Merger, which, in turn, could negatively affect our relationships with business partners and could impact investor and consumer confidence in our business;

- any litigation relating to the Merger and the costs related thereto;
- the incurrence of significant costs, expenses, and fees for professional services and other transaction costs in connection with the Merger.

Even if successfully completed, there are certain risks to our shareholders from the Merger, including:

- we may experience a departure of employees prior to the closing of the Merger;
- the amount of cash to be paid under the Merger Agreement is fixed and will not be adjusted for any positive changes in our business, assets, liabilities, prospects, outlook, financial condition or operations;
- receipt of the all-cash per share merger consideration under the Merger Agreement is taxable to shareholders that are treated as U.S. holders for U.S. federal income tax purposes; and
- if the Merger is completed, holders of our ordinary shares will forgo the opportunity to realize the potential long-term value of the successful execution of our current strategy as an independent company.

The Merger may not be completed within the intended timeframe, or at all, and the failure to complete the Merger could adversely affect our business, results of operations, financial condition, and the market price of our ordinary shares, depositary shares representing our preferred shares, Senior Notes and Junior Subordinated Notes.

The Merger Agreement contains a number of conditions that must be satisfied or waived prior to the completion of the Merger, including (a) the adoption of the Merger Agreement by the Company's shareholders, (b) the approval of the Bermuda Monetary Authority pursuant to the Bermuda Exchange Control Act 1972 and the Insurance Act 1978, other additional approvals of certain other insurance regulatory bodies, the expiration, termination or receipt of any approval or clearances applicable to the consummation of the Merger under applicable antitrust laws, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain additional clearances or approvals of certain other governmental bodies, without the imposition of a Burdensome Condition (as defined in the Merger Agreement); (c) the absence of any order restraining, enjoining or otherwise preventing the Merger or any law that prohibits or makes illegal the consummation of the Merger that remains in effect, (d) the absence of any Specified Debt Event of Default (as defined in the Merger Agreement) and (e) the absence of any Company Material Adverse Effect.

Any such required consents and approvals may not be received at all, may not be received in a timely fashion, or may impose conditions on the completion of the Merger. We cannot assure that all of the conditions in the Merger Agreement will be satisfied or waived on a timely basis or at all. If the conditions in the Merger Agreement are not satisfied or waived on a timely basis or at all, or if Parent failed to obtain financing necessary to complete the proposed transaction, we may be unable to complete the Merger in the timeframe or manner currently anticipated or at all.

If the Merger is delayed or not completed without realizing any of the benefits, for any of the reasons articulated above or because Sixth Street is unable to meet their equity or debt commitments required to fund the Merger, we may be subject to a number of risks, including the following:

- the market price of our securities, including our ordinary shares, could decline to the extent that the current market price reflects a market assumption that the Merger will be completed;
- commitments of management's time and resources to the Merger that could otherwise have been devoted to pursuing other beneficial opportunities for the Company;
- we may experience negative reactions from the financial markets or from our clients, business partners or employees;
- any disruptions to our business resulting from the announcement and pendency of the Merger, including adverse changes in our relationships with clients, suppliers, partners and employees, may continue or intensify in the event the Merger is not consummated or is significantly delayed;
- the inability to attract and retain key personnel and recruit prospective employees, and the possibility that our current employees could be distracted, and their productivity decline as a result, due to uncertainty regarding the Merger;
- the inability to pursue alternative business opportunities or make changes to our business pending the completion of the Merger, and other restrictions on our ability to conduct our business;

- we have incurred, and expect to continue incurring, significant costs, expenses, and fees for professional services and other Merger-related costs, for which we may receive little or no benefit if the Merger is not completed, and many of these fees and costs will be payable by us even if the Merger is not completed; and
- we may be required, if the Merger Agreement is terminated in certain limited circumstances, to pay a termination fee of $145 million (or $102 million if such termination occurs during the "go-shop" period) as provided in the Merger Agreement, which would require us to use cash that would have otherwise been available for general corporate purposes or other uses.

If any of these or other risks materialize, they could adversely impact our ongoing business, financial condition, financial results and the price of our ordinary shares, depositary shares representing our preferred shares, Senior Notes and Junior Subordinated Notes. Similarly, delays in the completion of the Merger could, among other things, result in additional transaction costs, loss of revenue or other negative effects associated with uncertainty about completion of the Merger.

If the Merger Agreement is terminated, we may, under certain circumstances, be obligated to pay a termination fee to Parent. These costs could require us to use available cash that would have otherwise been available for other uses.

If the Merger is not completed, in certain circumstances, we could be required to pay a termination fee of $145 million (or $102 million if such termination occurs during the "go-shop" period). If the Merger Agreement is terminated, the termination fee we may be required to pay, if any, under the Merger Agreement may require us to use available cash that would have otherwise been available for general corporate purposes or other uses. For these and other reasons, termination of the Merger Agreement could materially and adversely affect our business, results of operations or financial condition, which in turn would materially and adversely affect the price of our ordinary shares, depositary shares representing our preferred shares, Senior Notes and Junior Subordinated Notes.

Our executive officers and directors may have interests in the proposed Merger that are different from, or in addition to, those of our shareholders generally.

Our executive officers and directors may have interests in the proposed Merger that are different from the interests of our shareholders generally, including, among others, the acceleration of the vesting of equity awards, the settlement of the JSOP and receipt of change in control or other severance payments in connection with the proposed Merger, continued indemnification and insurance, potentially continued service to the combined company and potentially the reinvestment of certain individuals in the private company (including our Chief Executive Officer). These interests, among others, may influence, or appear to influence, our executive officers and directors and cause them to view the Merger differently from how our shareholders generally may view it.

Additional information regarding our executive officers and directors and their interests in the proposed Merger will be included in the proxy statement relating to the proposed Merger when it is filed with the Securities and Exchange Commission.

Shareholder litigation could prevent or delay the closing of the Merger or otherwise negatively impact our business, operating results and financial condition.

Litigation relating to the Merger may be filed against the Company and its Board of Directors. Among other remedies, these claimants could seek damages and/or to enjoin the Merger and the other transactions contemplated by the Merger Agreement. The outcome of any litigation is uncertain and any such lawsuits could prevent or delay the completion of the Merger and result in significant costs. The litigation costs, including costs associated with the indemnification of obligations to our directors, and diversion of management's attention and resources to address the claims in any litigation related to the Merger may adversely affect our business, results of operations, prospects, and financial condition. Any litigation related to the Merger may result in negative publicity or an unfavorable impression of us, which could adversely affect the price of our securities, including our ordinary shares, impair our ability to recruit or retain employees, damage our relationships with our clients and business partners, or otherwise harm our operations and financial performance.

The Merger will involve substantial costs and require substantial management resources, which could adversely affect our operating results and financial condition.

Management and financial resources have been diverted and will continue to be diverted towards the completion of the Merger. We have incurred, and expect to continue to incur substantial costs and expenses relating to, as well as the direction of management resources towards, the Merger. Such costs, fees and expenses include fees and expenses payable to financial advisors, other professional fees and expenses, fees and costs relating to regulatory filings and filings with the SEC and notices and other transaction-related costs, fees and expenses. We expect these costs could have an adverse effect on our operating results. If the Merger is not completed, we will have incurred substantial expenses and expended substantial management resources for which we will have received little or no benefit if the closing of the Merger does not occur.

In connection with the Merger, our current and prospective employees could experience uncertainty about their future with us or decide that they do not want to continue their employment. As a result, key employees may depart because of issues relating to such uncertainty or a desire not to remain with the Company following the completion of the Merger. Loss of employees could adversely affect our business, results of operations, and financial condition. Such adverse effects could also be exacerbated by a delay in the completion of the Merger for any reason, including delays associated with obtaining requisite regulatory approvals.

Holders of the depositary shares representing our preferred shares who receive newly issued preferred shares of the surviving company cannot be sure of the value of the new preferred shares that they will receive as a result of the Merger, and an active trading market for the newly issued preferred shares does not exist and may not develop.

Upon consummation of the Merger, holders of depositary shares representing our preferred shares will receive newly issued preferred shares of the surviving company. The value of the newly issued preferred shares is unknown, and may vary as a result of a variety of factors, including the number of holders of the newly issued preferred shares, prevailing interest rates, the issuer's operating performance and financial condition, the market for similar securities and other risk factors appearing in this quarterly report. The Company cannot provide any assurances regarding the value of the newly issued preferred shares.

After the consummation of the Merger, the newly issued preferred shares will not be listed on any securities exchange. As a result, holders of the newly issued preferred shares may have difficulty selling such shares. If an active, liquid market for the newly issued preferred shares does not develop, the value and liquidity of the newly issued preferred shares may be adversely effected. As a result, the holders of the newly issued preferred shares may not be able to sell their preferred shares at a particular time or at a favorable price. Since the signing of the Merger Agreement Sixth Street has informed the Company that, after the consummation of the Merger, the information made available to the holders of the Senior Notes and Junior Subordinated Notes is also expected to be provided to the holders of the newly issued preferred shares.

We may be required to record a goodwill impairment charge that will impact our operating results in the third quarter 2024 given the July 2024 proposed acquisition consideration relative to our book value.

Our balance sheet includes $63 million of goodwill. We have historically tested goodwill for impairment by performing a qualitative assessment test. The qualitative impairment assessment is an assessment of historical information and relevant current events and circumstances, including economic, industry and market considerations, to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. As a result of performing these procedures we determined that goodwill was not impaired as of December 31, 2023.

Given the proposed July 2024 acquisition consideration is less than our book value, we expect to record an impairment charge in the third quarter 2024 for the full amount of the goodwill.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

There were no ordinary shares acquired by the Company during the three months ended June 30, 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2024, no director or officer of the Company adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description
3.1	Memorandum of Association of Enstar Group Limited (incorporated by reference to Exhibit 3.1 of the Company's Form 10-K/A filed on May 2, 2011).
3.2	Sixth Amended and Restated Bye-Laws of Enstar Group Limited (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on June 15, 2021).
3.3	Certificate of Designations of Series C Participating Non-Voting Perpetual Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on June 17, 2016).
3.4	Certificate of Designations of 7.00% fixed-to-floating rate perpetual non-cumulative preference shares, Series D (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed on June 27, 2018).
3.5	Certificate of Designations of 7.00% perpetual non-cumulative preference shares, Series E (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed on November 21, 2018).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

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* filed herewith

** furnished herewith

+ denotes management contract or compensatory arrangement

♦ certain of the schedules and similar attachments are not filed but Enstar Group Limited undertakes to furnish a copy of the schedules or similar attachments to the SEC upon request

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on July 31, 2024.

ENSTAR GROUP LIMITED

By: /s/ Matthew Kirk

Matthew Kirk
Chief Financial Officer,
Authorized Signatory and
Principal Financial Officer

By: /s/ Girish Ramanathan

Girish Ramanathan
Chief Accounting Officer and
Principal Accounting Officer