



Realising Value



Enstar Group Limited

Run-off Solutions and Business Optimisation in an Evolving Market
November 2019

ENSTARGROUP.COM

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This presentation, and oral statements made with respect to information contained in this presentation, may include certain forward-looking statements regarding our views with respect to our business, operations, loss reserves, strategy, investment portfolio, economic model, and our expected performance for future periods, as well as the insurance market and industry conditions. These statements are intended as “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those set forth in the forward-looking statements. You may identify forward-looking statements by the use of words such as “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “may,” “should,” “could,” “will” or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements involve significant risks and uncertainties, including risks of changing and uncertain economic conditions, the success of implementing our business strategies, the adequacy of our loss reserves, ongoing and future regulatory developments disrupting our business, lengthy and unpredictable litigation, risks relating to our acquisitions, increasing competitive pressures, loss of key personnel, risks relating to our active underwriting businesses, the performance of our investment portfolio and liquidity and other factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2018, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, and our other reports filed from time to time with the Securities and Exchange Commission (“SEC”).

Any forward-looking statement you see or hear during the presentation reflects Enstar Group Limited’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The date of this presentation is listed on the cover page and Enstar does not undertake to update or keep it accurate after such date.

ADDITIONAL INFORMATION

The company has an effective shelf registration statement (including a prospectus) on file with the SEC. Any offering of securities will be made only by means of a prospectus supplement, which will be filed with the SEC. In the event that the company undertakes an offering, you may obtain a copy of the prospectus supplement and accompanying prospectus for the offering by visiting EDGAR on the SEC website at www.sec.gov.

For more complete information about Enstar Group Limited, you should read our reports filed with the SEC. You may get these documents for free through EDGAR on the SEC website at www.sec.gov, or through our website at <https://investor.enstargroup.com/sec-filings>.

Enstar Introduction



Enstar Group Limited, formed in 2001, is a Bermuda-based holding company, listed on NASDAQ

Enstar is a multi-faceted insurance group that provides:

- Innovative risk transfer solutions
- Specialty underwriting capabilities

Enstar's core segment, Non-Life Run-Off, acquires and manages run-off insurance and reinsurance liabilities

\$18.2bn

Assets

September 30, 2019

\$4.3bn

Market Capitalization

(Common Shares)

September 30, 2019

\$4.6bn

Shareholders' Equity

September 30, 2019

\$10.0bn

Total Reserves¹

September 30, 2019

\$708.3m

Net Earnings

Nine Months Ended

September 30, 2019

Credit Ratings

Long-term Issuer Ratings

S&P BBB (stable)

Fitch BBB- (stable)

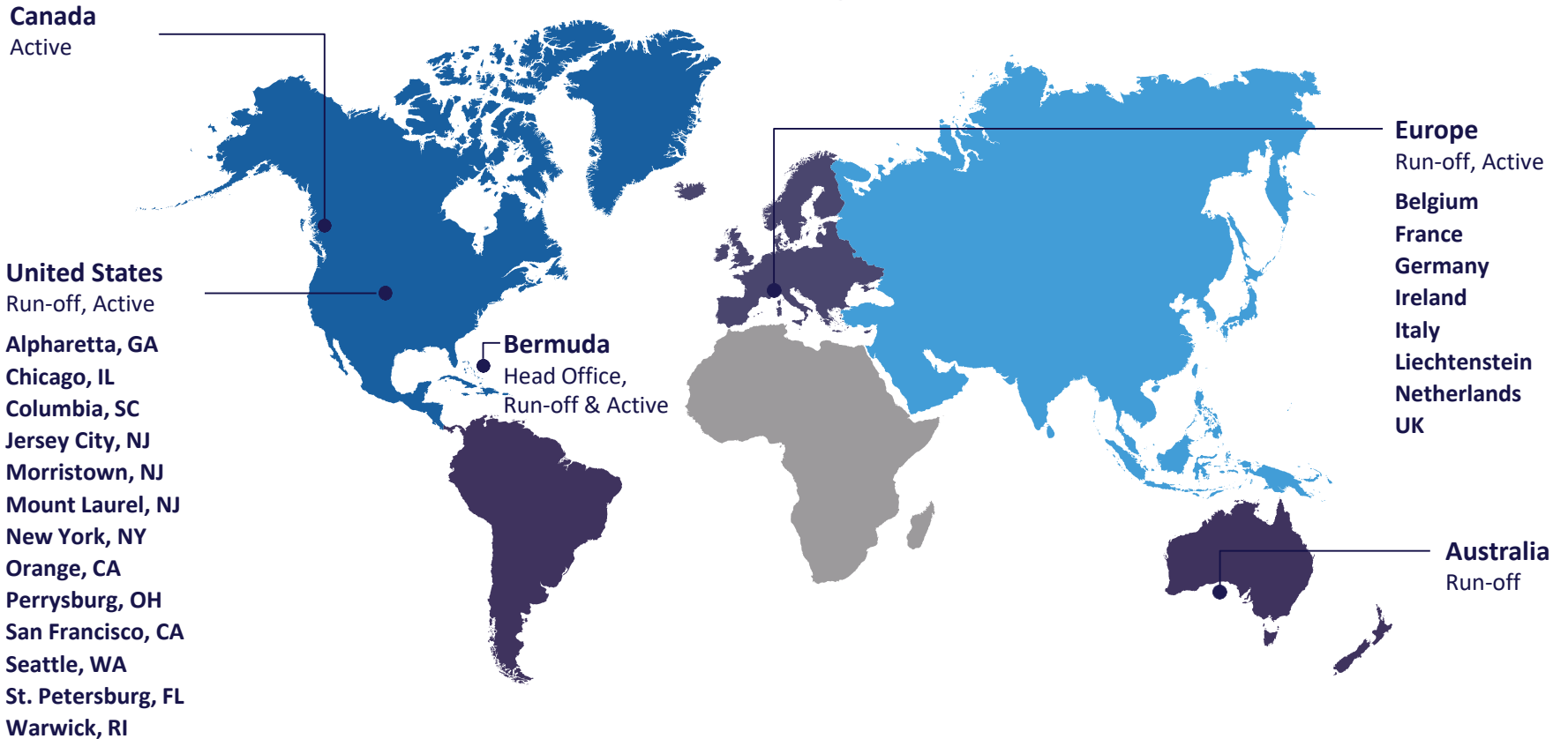
¹ Reflects losses and loss adjustment expenses for non-life run-off and active underwriting

About Enstar

A Global Group



With **30** offices across **12** countries, and **1,400+** staff
Enstar Group offers global solutions

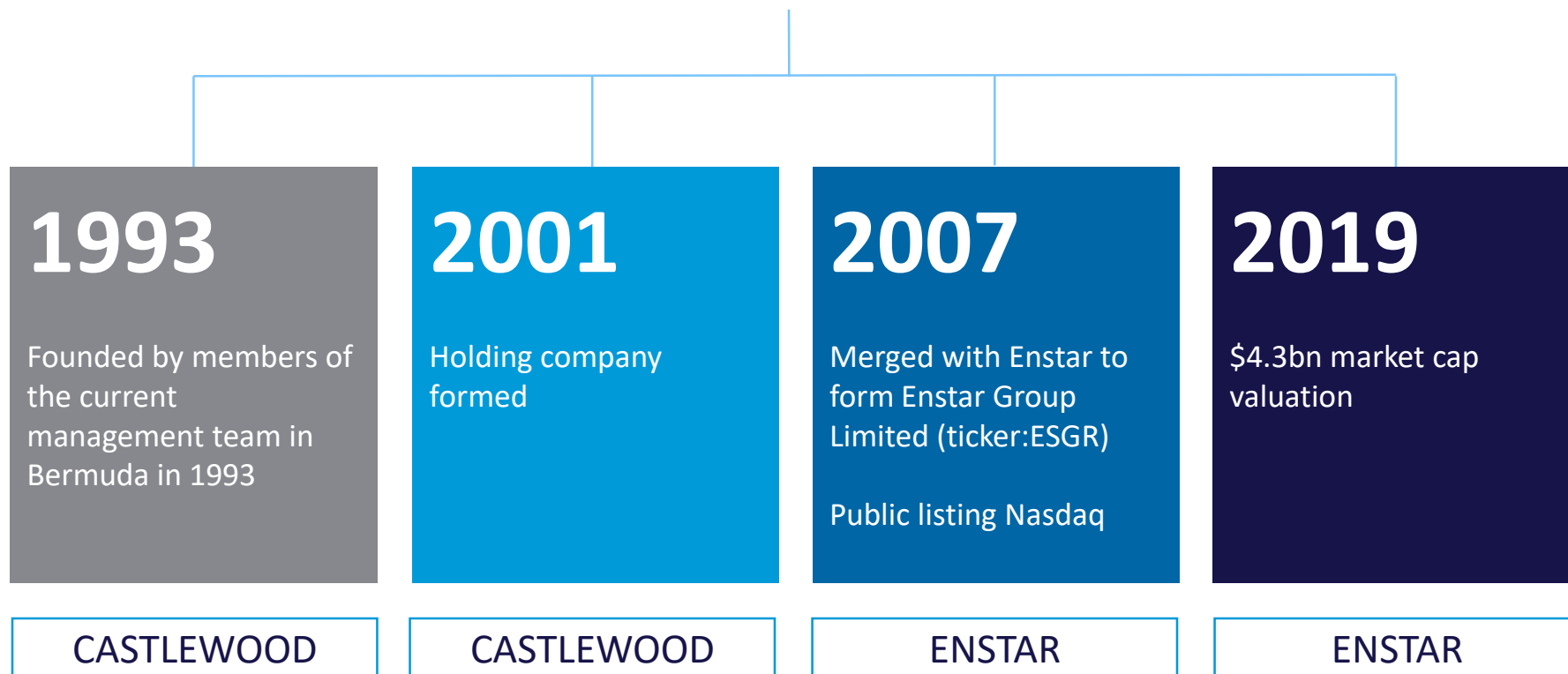


ATRIUM

CRANMORE
THE PROFESSIONAL APPROACH



Enstar Group is a global leader in releasing value for the world's largest insurers and reinsurers



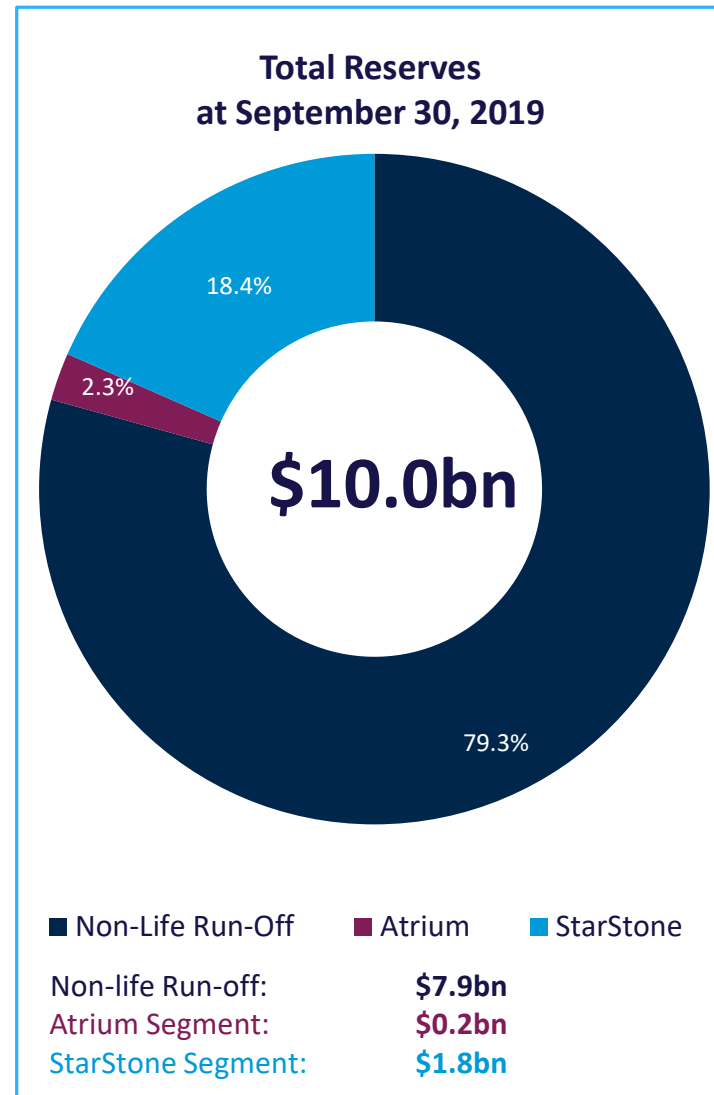
About Enstar

Operating Segment Overview



Run-Off	Non-Life Run-Off	<ul style="list-style-type: none"> • Premier market leader in the run-off space • Acquires P&C companies or portfolios in run-off and manages the acquired businesses, generating profits through loss reserve savings, operational efficiencies, and investment income • Highly selective underwriting process for potential acquisition targets, focusing on investigating risk exposures, claims practices, reserve requirements and outstanding claims • Also manages third-party run-off portfolios through service companies for fixed or incentive-based fees
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Active	StarStone	<ul style="list-style-type: none"> • Active specialty underwriting platform, AM Best A- rated, operating worldwide
	Atrium	<ul style="list-style-type: none"> • Active underwriting operations at Lloyd's, which manages Syndicate 609 and provides 25% of the underwriting capacity and capital to Syndicate 609



Historic Growth



\$31.7bn

of total assets acquired

\$24.8bn

of total gross loss reserves
acquired

of which

\$14.8bn

have been successfully
run-off*

* includes Pavonia and Laguna gross reserves

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Acquired Total Assets and Gross Reserves By Year

	Assets \$m	Gross Reserves Acquired \$m
2009 and Prior	\$6,720	\$4,868
2010	\$1,577	\$1,358
2011	\$2,098	\$1,966
2012	\$411	\$411
2013	\$3,660	\$2,635
2014	\$2,547	\$1,292
2015	\$2,967	\$2,357
2016	\$1,846	\$1,627
2017	\$2,110	\$2,097
2018	\$4,478	\$3,216
2019	\$3,156	\$2,845
Pending	\$161	\$161
Total	\$31,731	\$24,833

Acquisitions

The Cornerstone of our Business



100

total acquisitive transactions/new business since formation

51

companies acquired through stock purchase or merger

49

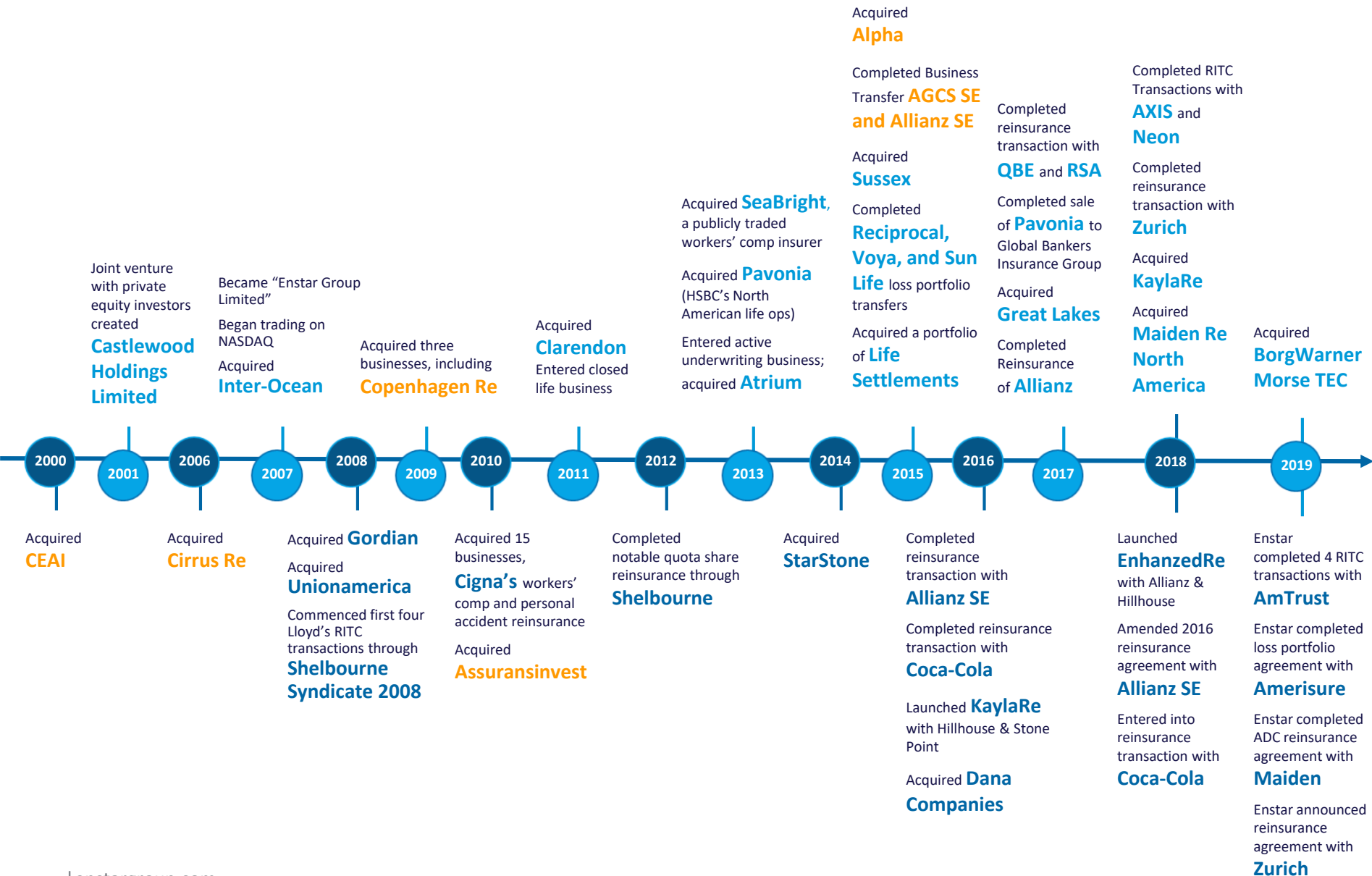
portfolios of insurance or reinsurance business

Dedicated, cross-functional acquisition review teams

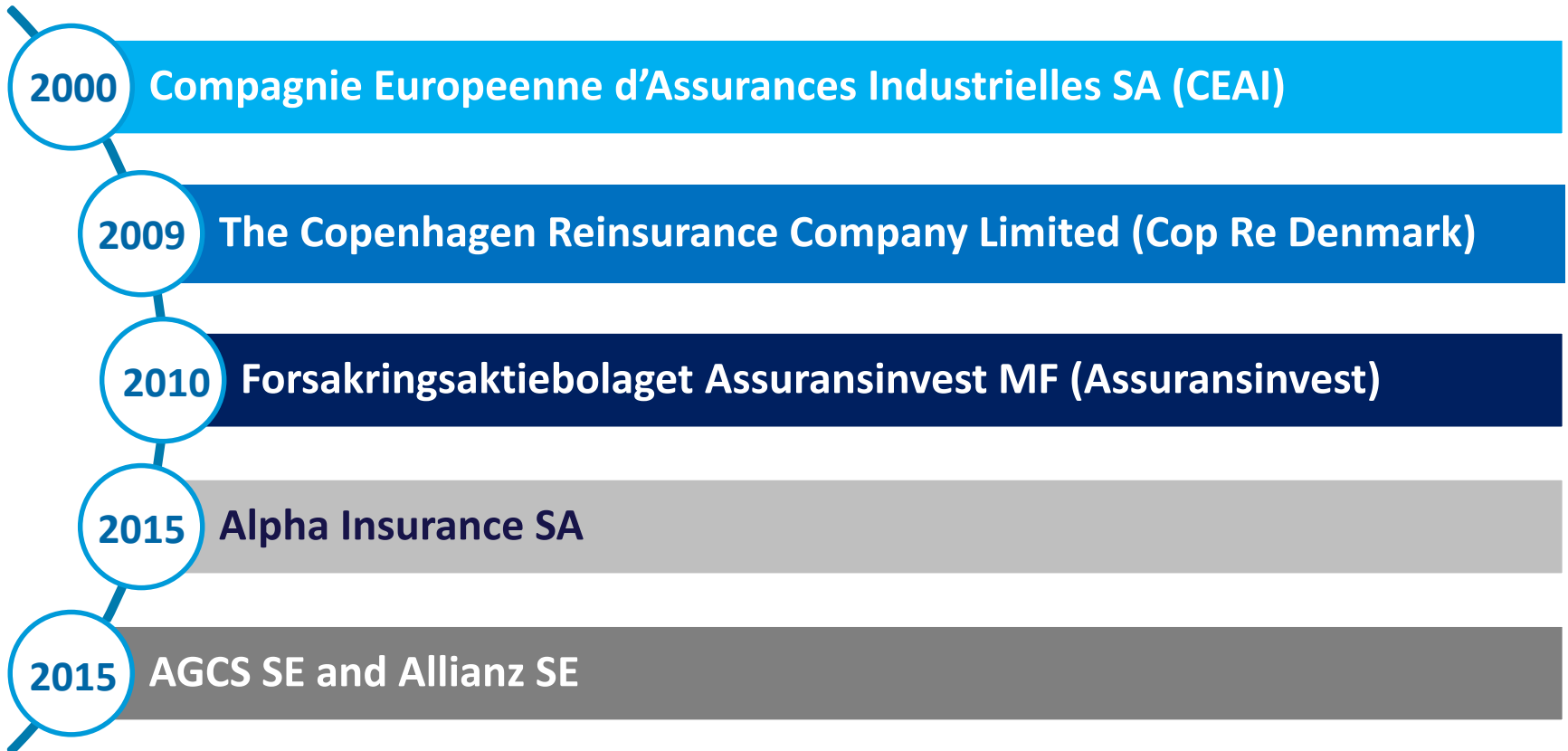
Secure business partner

Focused on execution

Significant Transactions



Examples of Mainland European Transactions



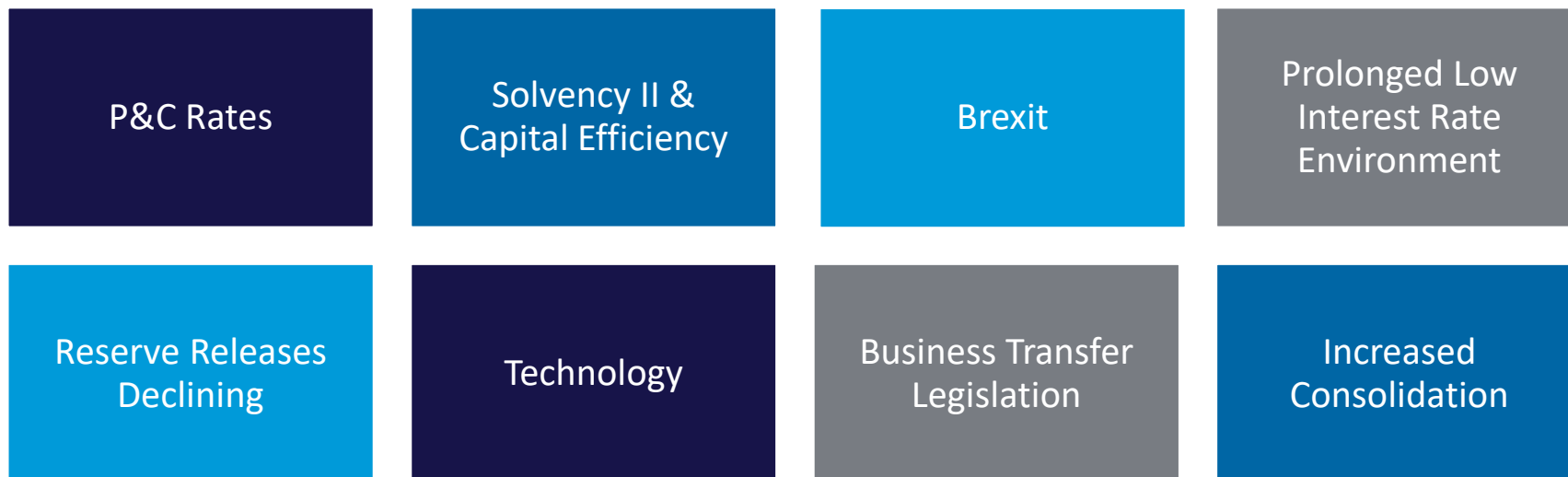
The total number of transactions within the EU is approx. 50

Non-life run-off market is estimated by industry sources to be \$364bn in the US and around \$292bn in Europe

It is expected that the level of investment activity in the legacy market will increase over the next two years

Source: Global Insurance Run-off survey

Several factors will lead to insurers considering legacy disposal:



The Industry has a wide acceptance of transfer of legacy as an integral part of the insurance life cycle

Several factors will lead to insurers considering legacy disposal:

Capital Release

Remove Volatility

Operation Efficiencies

Reduce Management
Distraction

Focus on Core Business

Achieve Finality

Methods of Acquisition for Run-off



Most jurisdictions have similar methodologies to enable business to be placed into run-off:

	Mainland Europe & Ireland	UK	USA	Bermuda	All Other
Company Acquisition	✓	✓	✓	✓	✓
Reinsurance	✓	✓	✓	✓	✓
Business Transfer	✓ Various, under the 'Change of Control' Directive	✓ Part VII Transfer	✓ Insurance Business Transfer (limited to certain states)	✓ Scheme of Arrangement	Varies by Jurisdiction

Form of acquisition

Share purchase

Reinsurance

Loss Portfolio Transfer (LPT)

Adverse Development Cover (ADC)

Reinsurance to close transactions (RITC)

Portfolio transfers

Common lines of business in Run-off

Workers Compensation

General Liability

Medical Malpractice

Asbestos, Pollution, Health Hazard

Professional Indemnity; Directors & Officers

Construction Defect

Motor

Marine, Aviation, Transit

Insurance & Reinsurance Audit & Consultancy



Established in 1999, Cranmore is a specialist insurance and reinsurance consultancy group

Provides due diligence to Enstar's Mergers & Acquisitions team

Specialist Underwriting, Claims and Peer review provider

Talent resource for ad-hoc projects and oversight of existing portfolios and liability management

Proactive Management Strategies



Managing Third Party Administrators (TPAs)

Loss cost mitigation programs

Comprehensive quality assurance program

Total Enstar Group net claims paid of \$1,417.2m at Q3 2019

Like the rest of continental Europe, the Benelux is lagging behind in terms of number and size of run-off transactions compared to the UK and the United States

The estimated non-life run-off reserves for continental Europe are estimated at \$292bn of which \$46bn in France and the Benelux

It is expected that there will be 1-10 transactions with a value of \$50m to \$100m in continental Europe while in the past 20 months (until August 2019) 15 publicly announced deals took place

Generally European Company Boards do not consider run-off transactions high on their agenda respondents to the survey feel their Boards need to be informed about the benefits of legacy solutions

Source: Global Insurance Run-off survey

In Europe and the Benelux there is a lot of potential to improve operational efficiencies and other benefits by implementing Legacy Solutions

The main benefits are:

- Capital release
 - Focus on the core profitability business
 - Operational improvements
-

**Significant benefits can be achieved by tailored Run-off Solutions
but first management needs to convince the Board**