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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Credit Ratings of StarStone Insurance Bermuda Limited and Its Subsidiaries

LONDON, 15 September 2017—A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Ratings of “a-” of **StarStone Insurance Bermuda Limited** (StarStone Bermuda) (Bermuda), **StarStone Insurance SE** (United Kingdom), **StarStone Insurance Europe AG** (Liechtenstein), **StarStone Specialty Insurance Company** (StarStone Specialty) and **StarStone National Insurance Company** (StarStone National). The outlook for these Credit Ratings (ratings) remains stable. StarStone Specialty and StarStone National are domiciled in Wilmington, Delaware, USA. All companies are collectively referred to as StarStone.

Since its launch in 2008, StarStone has built scale through a combination of acquisitions of businesses and teams, and organic growth. As a result, StarStone now writes a diversified specialist portfolio from operations in London, Bermuda, the United States and Continental Europe.

StarStone has been owned by **Enstar Group Limited** (Enstar) and the Trident Funds, managed by Stone Point Capital LLC (Stone Point), since April 2014. A.M. Best views the support of Enstar and Stone Point as a positive rating factor. The group’s owners provide strategic and operational support to StarStone, as well as financial assistance if needed. Both companies have a proven track record of building strong and profitable insurance businesses, Enstar primarily in insurance run-off and Stone Point in active underwriting.

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StarStone benefits from strong risk-adjusted capitalisation on a consolidated basis and at each rated operating company. StarStone Bermuda is the group holding company and operates as the carrier for most of the group's underwriting risk through internal reinsurance contracts with the other StarStone entities. The owners are committed to maintaining StarStone's risk-adjusted capitalisation at a level that is supportive of the ratings. In 2014, StarStone Bermuda entered into a loss portfolio transfer reinsurance agreement (LPT) with a cell of Fitzwilliam Insurance Limited (Fitzwilliam), an Enstar subsidiary domiciled in Bermuda. The LPT covers reserves for the group's discontinued lines at 1 January 2014. In addition, StarStone Bermuda has entered into a 35% quota share reinsurance contract with KaylaRe Limited, which is 48% owned by Enstar, effective from 1 January 2016. The resulting reduction in net written premiums and reserves enhanced the risk-adjusted capitalisation of the StarStone entities.

StarStone Bermuda reported underwriting profits in 2015 and 2016 after several years of losses. A.M. Best notes that the company's underwriting performance in this period benefited from the LPT cover as the ceded reserves deteriorated. The company, supported by its owners, is committed to further improving financial performance. Nevertheless, achieving sustainable profitable results is likely to remain a challenge given the strong competition in its main business lines.

This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best's Credit Ratings](#). For information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases](#).

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