ENSTAR GROUP

FINANCIAL CONDITION REPORT 2024

Realising Value

ENSTAR GROUP LIMITED, BERMUDA
BMA Registration Number 9001

A.S. Cooper Building | 4th Floor | 26 Reid Street | Hamilton HM 11 | Bermuda
Company telephone number: (441) 292-3645

Financial Condition Report for the year ended December 31, 2024

Enstar Group Limited and subsidiaries

(collectively "Enstar Group Limited")

Prepared in accordance

With the reporting requirements of the

Bermuda Monetary Authority

Table of Contents

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report 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 market conditions in the overall economy and the industry, the success of implementing our strategies, the adequacy of our loss reserves, the regulatory environment, current and future litigation, the success of new acquisitions, competitive pressures, loss of key personnel, risks relating to our active underwriting businesses, our liquidity and other factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2024 (as amended by the Form 10-K/A filed on April 29, 2025, the “2024 Form 10-K”), and our other reports filed from time to time with the Securities and Exchange Commission (“SEC”).

Any forward-looking statement in this report 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. 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.

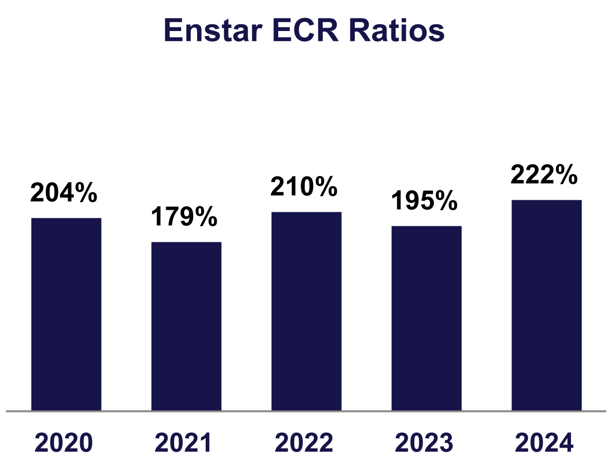
EXECUTIVE SUMMARY

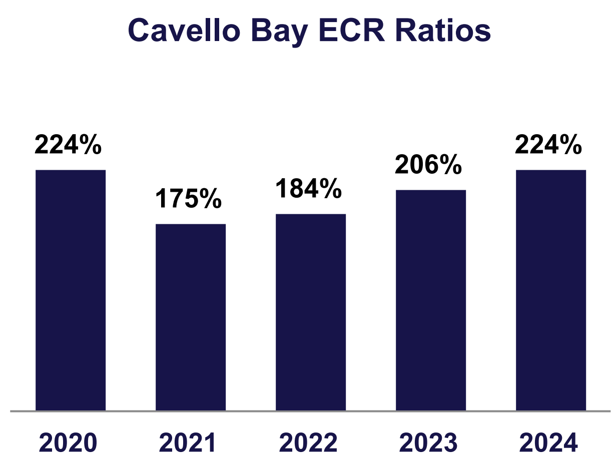
This Financial Condition Report ("FCR") is prepared in accordance with the Bermuda Monetary Authority's ("BMA") Insurance (Public Disclosure) Rules 2015 and Insurance (Group Supervision) Rules 2011. The FCR documents the business and performance, governance structure, risk profile, solvency valuation, capital management and subsequent events of Enstar Group Limited ("Enstar") and for each of Cavello Bay Reinsurance Limited ("Cavello Bay"), Fitzwilliam Insurance Limited ("Fitzwilliam") and Enhanzed Re (collectively our "Bermuda Operating Subsidiaries" covered under this report) for the year ended December 31, 2024.

Unless the context indicates otherwise, the terms "Enstar," "the Company," "Group," "EGL," "we," "us" or "our" mean Enstar Group Limited and its consolidated subsidiaries and the term "Parent Company" means Enstar Group Limited, excluding its consolidated subsidiaries.

We use the standard Bermuda Solvency Capital Requirement ("BSCR") model to assess the Enhanced Capital Requirement ("ECR") or required statutory capital and surplus. This FCR is based primarily on the Economic Balance Sheets ("EBS"), Statutory Financial Statements ("SFS") and the audited financial statements prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") of Enstar and our Bermuda Operating Subsidiaries covered under this report as of December 31, 2024.

The following charts provide the ECR ratios for Enstar and our primary Bermuda Operating Subsidiary, Cavello Bay, for the last five years:





DETAILS OF APPROVED AUDITOR AND GROUP SUPERVISOR

Approved Group Auditor	*Approved Auditor of Bermuda Operating Subsidiaries*	*Group Supervisor*
PricewaterhouseCoopers LLP	**PricewaterhouseCoopers Ltd.**	**Bermuda Monetary Authority**
300 Madison Avenue	4th Floor, Washington House | 16 Church Street	BMA House | 43 Victoria Street
New York, New York 10017	Hamilton HM11	Hamilton HM12
United States	Bermuda	Bermuda

ITEM 1. BUSINESS AND PERFORMANCE

a) Description of Business

Enstar is a leading global (re)insurance group that offers innovative capital release solutions through our network of group companies. We seek to create value by managing (re)insurance companies and portfolios of (re)insurance and other liability business in run-off and striving to generate an attractive risk-adjusted return from our investment portfolio.

Our voting ordinary shares are listed on the NASDAQ Global Select Market under the ticker symbol "ESGR."

On July 29, 2024, Enstar 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. The Merger is expected to close in mid-2025.

For additional information on our the merger agreement, refer to Note 1 to our consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2024.

Effective January 1, 2024, we have two segments that align with how our chief operating decision maker ("CODM"), our Chief Executive Officer, views our business, assesses performance and allocates resources to our business components. In addition, we report certain results of operations that are not directly attributable to our reportable segments in Corporate & Other which does not qualify as an operating segment.

- **Run-off Segment:** The Run-off segment is a function of development and settlement of assumed run-off books of business which consists of our acquired property and casualty and other (re)insurance business, including our defendant asbestos and environmental (“A&E”) businesses and StarStone International (from January 1, 2021) following our decision to place it into an orderly run-off.

  Our primary objective of the Run-off segment is to recognize favorable prior period development in our net incurred losses and loss adjustment expenses ("LAE") (run-off liability earnings or “RLE”) over time by settling claims in a timely, cost efficient manner using our claims management expertise, including settling claims for lower than outstanding ultimate loss estimates and implementation of reinsurance and commutation strategies.

  The Run-off segment results are comprised of net premiums earned, other income, net incurred losses and LAE, acquisition costs and general and administrative expenses.

- **Investments Segment:** The Investments segment consists of our investment activities and the performance of our investment portfolio.

  Our primary objective of the Investments segment is to obtain the highest possible risk and capital adjusted returns while maintaining prudent diversification of assets and operating within the constraints of a global regulated (re)insurance company. We additionally consider the liquidity requirements and duration of our claims, policyholder benefits and contract liabilities.

  The Investments segment results are comprised of net investment income, net realized gains (losses), fair value changes in trading securities, funds held and other investments, general and administrative expenses and income from equity method investments.

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 Limited ("SGL No. 1"), Arden Reinsurance Company Ltd. ("Arden"), and Atrium Underwriting Group Limited ("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 have been prospectively included within our Corporate and Other activities.

- **Former Assumed Life:** The former Assumed Life segment previously consisted of 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 and Allianz SE ("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 quarter lag in reporting.

The former Assumed Life segment results were comprised of net premiums earned, other income, net incurred losses and LAE, policyholder benefit expenses, acquisition costs and general and administrative expenses.

- **Former Legacy Underwriting Segment:** The former Legacy Underwriting segment was previously comprised of SGL No.1's 25% gross share of the 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 (the "Exchange Transaction").

  There is no net retention for Enstar on Atrium's 2020 and prior underwriting years. The contractual arrangements between SGL No. 1, Arden and Atrium relating to the reinsurance agreements and the Capacity Lease Agreement were settled in the second quarter of 2023.

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.

For additional information on our reportable segments, refer to Note 5 to our consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2024.

b) Ownership Details

The table below sets forth information as of April 28, 2025, as published in our 2024 Form 10-K, regarding beneficial ownership of our voting ordinary shares (including restricted voting ordinary shares):

Name of Beneficial Owner	Number of Ordinary Shares [1]	Percent of Class [2]
Stone Point Capital LLC	1,451,196	9.7 %
The Vanguard Group	1,287,296	8.6 %
BlackRock, Inc.	950,827	6.4 %
All Executive Officers and Directors as a group (18 persons as of April 28, 2025)	1,377,884	9.2 %

[1] In each case based on information provided to us by these individuals:

- each person or group known to us to be the beneficial owner of more than 5% of our ordinary shares; and
- all of our directors and executive officers as a group.

[2] Percentages are based on 14,909,767 ordinary shares outstanding as of April 28, 2025.

For additional information on our shares, refer to Note 20 to our consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2024.

c) Group Structure

Please refer to Appendix I for a simplified group organizational chart, which depicts the position of the Bermuda Operating Subsidiaries and all other insurance entities within the Enstar group as of December 31, 2024.

Bermuda Operating Subsidiaries

Cavello Bay

Cavello Bay was incorporated under the laws of Bermuda on April 8, 2015 and is a direct and wholly-owned subsidiary of Kenmare Holdings Limited ("Kenmare"), a wholly-owned subsidiary of Enstar. Cavello Bay is a reinsurance company licensed by the BMA as a Class 3B reinsurer, and accordingly, is authorized to carry on general business.

Effective November 6, 2024, Cavello Bay merged with Starstone Insurance Bermuda ("SIBL") and its subsidiaries, StarStone Insurance SE (Liechtenstein), StarStone Finance Limited (UK) and StarStone Corporate Capital Limited (Ireland)[1], (together "SIBL Group"). As Enstar was the ultimate parent of SIBL and Cavello Bay, both entities were under common control prior to the merger and comparative balances have been restated as if the merger had become effective as of the beginning of the earliest period presented using the historical cost of the parent.

Effective December 11, 2023, Cavello Bay became the beneficial owner of 100% of the issued share capital of each of River Thames Insurance Company Limited, Mercantile Indemnity Company Limited and Rombalds Run-off Limited.

Fitzwilliam

Fitzwilliam was incorporated under the laws of Bermuda on March 15, 2002, and is a direct and wholly-owned subsidiary of Kenmare. Fitzwilliam is a reinsurance company licensed by the BMA as a Class 3A insurer, and accordingly, is authorized to carry on general business. Please refer to Item 1(g) for further information on activities specific to Fitzwilliam Segregated Accounts during 2024 and 2023.

SIBL

SIBL was incorporated under the laws of Bermuda on November 21, 2007 and was a direct and wholly-owned subsidiary of StarStone Specialty Holdings Limited ("SSHL") before it merged with Cavello Bay as referenced above. SIBL was a reinsurance company licensed by the BMA as a Class 3A insurer, and accordingly, was authorized to carry on general business.

In December 2023, we entered into a Purchase Agreement with the Trident V Funds and Dowling Capital Partners, together the redeemable non-controlling interest ("RNCI") Holders, to purchase their remaining equity interest in SSHL. Following the completion of the transaction, SSHL became a wholly-owned subsidiary. Prior to the transaction, we owned 58.98% of SSHL.

Please refer to Item 1(g) for further information.

Enhanzed Re

Enhanzed Re was incorporated under the laws of Bermuda on September 8, 2016 and is a wholly-owned subsidiary of Cavello Bay[2] as of December 31, 2022. Enhanzed Re is a reinsurance company licensed by the BMA as a Class 4 insurer and Class E insurer, and accordingly, is authorized to carry on general business and long-term business. Enhanzed Re reinsures life, non-life run-off and property casualty insurance business, initially sourced from subsidiaries and affiliates of Enstar and Allianz.

In 2021, we ceased accepting any new catastrophe reinsurance business, and in 2022 and 2023, we completed a series of commutation and novation agreements which ceased any continuing reinsurance obligations for this Company.

[1] StarStone Corporate Capital Limited is managed and controlled in Belgium.

[2] On December 28, 2022, Enhanzed Re repurchased the entire 24.9% ownership interest Allianz held in Enhanzed Re for $174 million, and Enhanzed Re became a wholly-owned subsidiary of Cavello Bay. Due to the one quarter reporting lag, the impact of this transaction was reflected in the Group's consolidated first quarter 2023 results.

d) Insurance Business Written by Line of Business

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.

Although we have largely exited our active underwriting platforms, we still record net premiums earned and the associated current period net incurred losses and LAE and acquisition costs as a result of the run-off of unearned premiums from transactions completed in recent years.

The following table provides gross premiums written by segment:

	2024	2023
	(in millions of U.S. dollars)	
Run-off	$ 11	$ 101
Total	**$ 11**	**$ 101**

The following table provides gross premiums written by geographical area:

	2024	2023
Geographical area	(in millions of U.S. dollars)	
United States	$ 7	$ 98
United Kingdom	2	6
Europe [(1)]	1	(3)
Other	1	—
Total	**$ 11**	**$ 101**

[(1)] Gross premiums written were negative for Run-off segment business located in Europe, primarily as a result of an adjustment made attributable to the European region.

The following table provides gross and net premiums written for each of our Bermuda Operating Subsidiaries covered under this report:

	2024		2023	
	Gross	Net	Gross	Net
	(in millions of U.S. dollars)			
Cavello Bay [(1)]	$ 8	$ 4	$ (2)	$ (5)
Fitzwilliam	1	1	(2)	(2)
Enhanzed Re	—	—	—	—

[(1)] Cavello Bay GAAP comparatives have been restated, refer to Item 1.c for additional information.

During the year ended December 31, 2024, we closed reinsurance transactions with Accredited Surety and Casualty Company, Inc. and Accredited Insurance (Europe) Limited (together, "Accredited"), Insurance Australia Group, SiriusPoint, QBE ("QBE Insurance Group Limited"), and James River Group Holdings, Ltd. ("James River"). Additionally, in July 2024 we closed a transaction to reinsure certain 2019 and 2020 business written by a third-party capital platform which uses Insurance Linked securities ("ILS") to fund its risks, for which we received premium of $294 million.

The table below sets forth a summary of new significant reinsurance business that we have completed with external parties between January 1, 2024 and December 31, 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
Property catastrophe and COVID-19 exposures	294	294	—	LPT	Varies[2]	Global
Product & public liability, compulsory third-party motor, professional risks, and workers' compensation	200	202	2	ADC	240	Australia
Workers' compensation	300	355	55	LPT	266	U.S.
U.S. commercial liability, general aviation, and workers' compensation	357	392	35	LPT	178	U.S.
General casualty, product liability, and commercial auto liability	52	76	24	ADC	—	U.S.
Total 2024	$ 1,485	$ 1,616	$ 131			

[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 10 of the annual Form 10k for the period ending December 31, 2024 for additional information.

[2] The limits vary dependent on each individual covered contract under the agreement.

Signed and closed business acquisitions as of December 31, 2024

On November 5, 2024, we closed an agreement to purchase all of the voting and non-voting shares in a Class 3B Bermuda-based reinsurer and segregated accounts company within the property catastrophe ILS market for a purchase price of $45 million. As part of the acquisition, we acquired $129 million of assets and $69 million of liabilities.

Signed reinsurance agreements not closed as of December 31, 2024

The table below sets forth a summary of new reinsurance business that we have signed during the year ended December 31, 2024 with AXIS Capital Holdings Limited ("AXIS") along with a novation of reinsurance related to casualty business, that had yet to close as of December 31, 2024.

Line of Business	Agreement Date	Type of Transaction	Estimated Reserves [1]
			(in millions of U.S. dollars)
Diversified mix including liability, professional risk, and motor [2]	December 13, 2024	LPT	$ 2,290
Casualty [3]	December 13, 2024	Novation	177
Total			$ 2,467

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

[2] Transaction closed on April 24, 2025

[3] Transaction closed on January 28, 2025.

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

When we acquire new business through reinsurance or direct business transfers, the liabilities we assume typically exceed the fair value of the assets we receive. This is generally due to the future earnings expected on the assets.

The difference between the liabilities assumed and the assets acquired is recorded as a DCA, which is then amortized over the expected settlement period. As such, the performance of the new business is assessed over time by comparing the net of investment income, loss reserve development and amortization of the DCA.

e) Material Income and Expenses for the Reporting Period

Consolidated Results of Operations

The following table sets forth certain consolidated financial information prepared in accordance with U.S. GAAP for the years ended December 31, 2024 and 2023:

	Year Ended December 31,		
	2024	2023	$ Change
	(in millions of U.S. dollars)		
Technical Results			
Net premiums earned	$ 40	$ 43	$ (3)
Net incurred losses and loss adjustment expenses			
Current period	23	30	(7)
Prior Period	(149)	(131)	(18)
Total net incurred losses and loss adjustment expenses	(126)	(101)	(25)
Acquisition costs	9	10	(1)
Investment Results			
Net investment income	$ 651	$ 647	$ 4
Net realized losses	(9)	(65)	56
Fair value changes in trading securities, funds held and other investments	456	528	(72)
(Losses) income from equity method investments	(18)	13	(31)
Other income	67	288	(221)
Defendant asbestos and environmental expenses	40	12	28
Amortization of net deferred charge assets	117	106	11
General and administrative expenses	391	369	22
Goodwill Impairment	63	—	63
Net foreign exchange gains	(39)	—	(39)
Income tax (expense) benefit	(62)	250	(312)
NET INCOME	581	1,218	(637)
Net income attributable to noncontrolling interest	(5)	(100)	95
Dividends on preferred shares	(36)	(36)	—
NET INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	$ 540	$ 1,082	$ (542)
COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSTAR	$ 571	$ 1,084	$ (513)

Overall Results

Net income attributable to Enstar ordinary shareholders decreased by $542 million to $540 million for the year ended December 31, 2024, from $1.1 billion in 2023, as a result of:

- A current year tax expense of $62 million compared to a prior year tax benefit of $250 million. The expense for the year ended December 31, 2024 is primarily due to $77 million of net deferred tax expenses resulting from the reduction of the Economic Transition Adjustment ("ETA") following our qualification for the five-year limited international footprint exemption which deferred the applicability of the Bermuda Corporate Income Tax ("CIT") to Enstar until 2030. Under this five-year exemption, we will not utilize $85 million of the originally expected ETA amortization tax benefits, partially offset by $8 million from the remeasurement of Available-for-sale ("AFS") securities deferred tax liabilities over the same period. The 2024 tax expense is partially offset by a deferred tax benefit associated with current year losses in the U.S. jurisdictions. The income tax benefit for the year ended December 31, 2023 is primarily due to a $205 million deferred tax benefit related to Bermuda CIT enactment and the establishment of a deferred tax asset (“DTA”) under the ETA, as well as the release of DTA valuation allowances and tax benefits recognized in both the U.S. and U.K. jurisdictions;

- A decrease in other income of $221 million in 2024 when compared to 2023, largely driven by the prior year net gain of $275 million recognized from the novation of the Enhanzed Re reinsurance of a closed block of life annuity policies. This was partially offset by a recovery on professional and other fees;
- The Merger Agreement executed in 2024 indicated that the consideration for all ordinary shareholders’ interests, which represents our fair value was less than our book value by an amount greater than the carrying amount of our goodwill at the time. Hence a full impairment charge related to goodwill of $63 million was recognized (Refer to Note 1 of the 2024 Form 10-K for further information); and
- A decrease in favorable total investment returns of $43 million. Investment returns recognized in net income of $1.1 billion for the year ended December 31, 2024, consisting of the aggregate of net investment income, net realized losses, fair value changes in trading securities, funds held and other investments, and (losses) income from equity method investments were consistent with the total investment returns included in net income of $1.1 billion for the year ended December 31, 2023. The variance in total investment returns recognized in net income was driven by:
    - An overall loss from net realized losses and fair value changes in fixed maturities, trading and funds held of $48 million in 2024, compared to an overall gain of $66 million in 2023, primarily due to rising interest rates across parts of the U.S., U.K. and European markets in 2024 as compared to a decline in interest rates in 2023;
    - Losses from equity method investments of $18 million, driven by losses from our investment in Monument Re, partially offset by income from our investment in Core Specialty, compared to gains of $13 million in 2023, primarily driven by income from our investments in Core Specialty and Citco, partially offset by losses from our investment in Monument Re;
    - Fair value changes in our other investments, including equities of $495 million in 2024, in comparison to fair value changes in our other investments, including equities of $397 million in 2023, as a result of stronger performance from hedge funds and privately held equities in 2024; and
    - Net investment income of $651 million in 2024, increased by $4 million in comparison to $647 million in 2023, primarily due to the reinvestment of fixed maturities at higher yields and deployment of consideration received from reinsurance transactions completed during the year, partially offset by the impact of declining short-term interest rates on our fixed maturities securities that are subject to floating interest rates.

This was offset by:

- A decrease in net income attributable to noncontrolling interests of $95 million, as a result of recording the portion of the $275 million 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; and
- An increase in favorable prior period development of net incurred losses and LAE of $18 million from 2023:
    - Net favorable prior period development of $149 million in 2024 was primarily driven by a reduction in our estimates of net ultimate losses and provisions for unallocated loss adjustment expenses (“ULAE”) of $182 million, partially offset by a $20 million increase in the fair value of our 2017 and 2018 LPT liabilities where we elected the fair value option and $13 million of fair value adjustment amortization; and
    - In comparison, net favorable prior year development of $131 million in 2023 was primarily due to a reduction in our estimates of net ultimate losses and provisions for ULAE of $226 million and a $78 million increase in the fair value of our 2017 and 2018 LPT liabilities where we elected the fair value option and $17 million of fair value adjustment amortization.

The above factors contributed to net income of $581 million for the year ended December 31, 2024 as compared to $1.2 billion in the comparative period, as well as net income attributable to Enstar ordinary shareholders of $540 million as compared to $1.1 billion in the comparative period.

Comprehensive income attributable to Enstar was $571 million for the year ended December 31, 2024, as compared to comprehensive income of $1.1 billion for the year ended December 31, 2023. Comprehensive income for the year ended December 31, 2024 was primarily driven by net income of $581 million, reduced by the change in net liability for losses and LAE at fair value instrument-specific credit risk of $10 million and comprehensive income attributable to non-controlling interest of $5 million. This was partially offset by the unrealized gains on our fixed maturities, AFS net of reclassification adjustments of $7 million.

Technical results

As noted above, although we have largely exited our active underwriting platforms, we still record net premiums earned and the associated current period net incurred losses and LAE and acquisition costs as a result of the run-off 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 prepared in accordance with U.S. GAAP for the years ended December 31, 2024 and 2023 are as follows:

	2024			2023		
	Run-off	Corporate and other	Total	Run-off	Corporate and other	Total
	(in millions of U.S. dollars)					
Net premiums earned	$ 40	$ —	$ 40	$ 43	$ —	$ 43
Net incurred losses and LAE:						
Current period	23	—	23	30	—	30
Prior periods	(182)	33	(149)	(226)	95	(131)
Total net incurred losses and LAE	(159)	33	(126)	(196)	95	(101)
Policyholder benefit expenses	—	—	—	—	—	—
Acquisition costs	9	—	9	10	—	10
Technical results	$ 190	$ (33)	$ 157	$ 229	$ (95)	$ 134

Favorable prior period net incurred losses of $149 million for 2024 were primarily driven by:

- Reductions in the estimates of net ultimate losses of $105 million, primarily due to:
  - favorable development of $91 million, $55 million, and $29 million on our workers' compensation, professional indemnity / directors and officers, and motor lines of business respectively, relating to the 2019, 2021 and 2023 acquisition years; offset by
  - Adverse development on our general casualty line of business of $21 million, most notably impacting the 2020 and 2023 acquisition years, driven by increased average incurred losses in comparison to incurred but not reported ("IBNR") reserve assumptions. There was also adverse development on our asbestos line of business of $33 million impacting the 2019 acquisition year and environmental line of business of $35 million, most notably impacting the 2016 and 2021 acquisition years, both driven by higher than expected claims costs and claims filings;
- Changes in the fair value of the 2017 and 2018 portfolios where we elected the fair value option resulted in a $20 million increase in liabilities for the year ended December 31, 2024 driven by a less significant increase in the average payout period of the underlying liabilities and decreases in global corporate bond yields; and
- Reductions in provisions for ULAE of $77 million, primarily driven by ULAE provision adjustments from our run-off operations, due to the corresponding reductions in loss reserves and the associated cost of managing such liabilities, which favorably impacted prior period development.

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.

The components of our investment results, prepared in accordance with U.S. GAAP, and split between our fixed income assets (which includes our short-term and fixed maturity investments classified as trading and AFS, funds held-directly managed, cash and cash equivalents, including restricted cash and cash equivalents, and funds held by reinsured companies, collectively our "Fixed Income" assets) and other investments (which includes equities and equity method investments, collectively our "Other Investments") for the years ended December 31, 2024 and 2023 are as follows:

	2024			2023		
	Fixed Income	Other Investments	Total	Fixed Income	Other Investments	Total
	(in millions of U.S. dollars)					
Net investment income	$ 545	$ 106	$ 651	$ 555	$ 92	$ 647
Net realized losses	(9)	—	(9)	(65)	—	(65)
Fair value changes in trading securities, funds held, and other investments	(39)	495	456	131	397	528
(Losses) income from equity method investments	—	(18)	(18)	—	13	13
Other comprehensive income:						
Unrealized gains on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	50	—	50	222	—	222
Total investment return ("TIR") ($)	$ 547	$ 583	$ 1,130	$ 843	$ 502	$ 1,345

Our TIR on fixed income assets was $547 million in 2024, which was driven by:

- an increase in our investment book yield from 3.86% to 4.35% due to a combination of reinvestment of fixed maturities at higher yields and deployment of consideration received from LPT and insurance contract transactions closed over the past 12 months, partially offset by the impact of declining overnight reference rate rates on the $3.0 billion of our average fixed maturities outstanding during the year that are subject to floating interest rates. Our floating rate investments generated net investment income of $226 million for the year ended December 31, 2024, a decrease of $18 million from the year ended December 31, 2023, which equates to a 29 basis point decrease in the yield of those investments.

Our TIR on other investments, including equities, was $583 million in 2024, primarily driven by an increase in net gains from our hedge funds, private equity funds, and real estate funds for the year ended December 31, 2024, largely as a result of sustained global equity market performance.

General and administrative results

The components of general and administrative results prepared in accordance with U.S. GAAP for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	(in millions of U.S. dollars)	
Salaries and benefits	$ 249	$ 221
Professional fees	53	59
IT costs	28	32
Other	61	57
Total	$ 391	$ 369

The $22 million increase in general and administrative expenses was driven by an increase in salaries and benefits expenses primarily due to a share-based compensation settlement of a departing executive, which was partially offset by a decrease in professional fees.

f) Performance of Investments for the Reporting Period

We manage our investments to obtain attractive risk adjusted returns while maintaining prudent diversification of assets and operating within the constraints of a regulated global (re)insurance group. We also consider the liquidity requirements and duration of our claims and contract liabilities.

We have a group-wide investment policy and group mandate, which applies to our consolidated investment portfolio and all subsidiary cash and investment portfolios.

Our investment policy:

- Outlines our investment objectives and constraints;
- Prescribes permitted asset class limits and strategies;
- Establishes risk tolerance limits; and
- Establishes appropriate governance.

Our investment policy also includes constraints that impact our asset allocation and external asset manager selection.

In pursuing our investment objectives, we typically allocate to asset classes with varying risk-return profiles that fall into two classifications: core assets and non-core assets.

- **Core Asset Strategy:** Our core assets investment portfolio is predominantly invested in investment grade fixed income securities that are duration and currency optimized and matched against the expected payment of loss reserves in accordance with our contractual obligations with our counterparty insurers and as prescribed in statutory liquidity and solvency regulations. Our goal with these securities is to meet the expected maturity to support prompt payment of the claims, whilst maximizing investment income.

  Our fixed maturity assets include U.S. government and agency investments, highly rated sovereign and supranational investments, high-grade corporate investments as well as mortgage-backed and asset-backed investments.

- **Non-Core Asset Strategy:** Our goal with our non-core assets investment portfolio is to provide diversification and increased return. Our non-core assets typically include below-investment grade fixed income securities and bank loans, public equity securities, hedge funds, private equity funds, fixed income funds, collateralized loan obligation (“CLO”) equities, real estate funds, private credit funds and equity method investments.

Our core assets, or fixed income assets, include short-term and fixed maturity investments classified as trading and AFS, funds-held directly managed, cash and cash equivalents, and funds held by reinsured companies.

Our non-core assets, or other investments, include equities and equity method investments.

The allocation and composition of our non-core assets may vary, depending on risk appetite, current market conditions and the assessment of relative value between asset classes.

We believe our non-core investments provide diversification in our overall investment portfolio, because generally they have low correlation with our fixed income assets, thereby providing an opportunity for improved risk-adjusted rates of return while minimizing downside risk over the long term. The returns of our non-core investments may be volatile, and we may experience significant fair value changes in a particular quarter or year. Regulatory, rating agency, our internal risk appetite and other factors may limit our capacity to hold non-core assets.

The table below shows the composition of our investable assets in accordance with U.S. GAAP as of December 31, 2024 and 2023:

	2024	2023	$ Change
	(in millions of U.S. dollars)		
Fixed maturities, trading, at fair value	1,263	1,949	(686)
Fixed maturities, available-for-sale, at fair value	4,691	5,261	(570)
Short-term investments, trading, at fair value	1	2	(1)
Short-term investments, available-for-sale, at fair value	215	62	153
Funds held [(1)]	4,979	5,251	(272)
Equities, at fair value	803	701	102
Other investments, at fair value	4,188	3,853	335
Equity method investments	313	334	(21)
Total investments	16,453	17,413	(960)
Cash and cash equivalents (including restricted cash)	1,554	830	724
Total investable assets	18,007	18,243	(236)
Duration (in years) [(2)]	3.55	4.04	
Average credit rating [(3)]	A+	A+	

(1) As of December 31, 2023 we now present funds held as one line. The components include funds held by reinsured companies and funds held - directly managed.

(2) The average duration calculation includes cash and cash equivalents, short-term investments and fixed income securities, as well as the fixed income securities 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 income securities and the fixed income securities within our funds held - directly managed portfolios.

The table below shows the TIR by investment type, adjusted to reallocate certain categories of investments based on management's view of the underlying economic exposure of a particular investment:

	2024			2023		
INVESTMENT TYPE	TIR ($)	Carrying Value	TIR (%) [(1)]	TIR ($)	Carrying Value	TIR (%) [(1)]
	(in millions of U.S. dollars)					
Fixed maturities	$ 421	$ 8,402	4.7 %	$ 694	$ 9,534	7.3 %
Equities	119	234	36.0 %	173	662	18.7 %
Bond/loan funds	73	573	10.9 %	73	848	8.0 %
Hedge funds	81	336	19.5 %	16	407	3.6 %
Private equity funds	143	1,545	10.3 %	103	1,188	10.2 %
CLO equities	38	232	15.4 %	38	259	12.1 %
Private credit	86	1,015	9.4 %	82	778	9.8 %
Real estate	9	474	2.1 %	(9)	336	(3.1)%
Infrastructure	14	158	10.5 %	9	92	13.7 %
Privately held	79	396	—	—	—	— %
Other investments	(20)	61	(23.7)%	(9)	109	(6.4)%
Equity method investments	(18)	313	(5.4)%	13	334	3.1 %
Cash and cash equivalents (including restricted cash)	33	1,555	3.4 %	36	830	3.3 %
Funds held	113	2,713	4.4 %	147	2,866	4.5 %
Investment expenses	(41)			(21)		
Total	$ 1,130	$ 18,007	6.3 %	$ 1,345	$ 18,243	7.2 %

(1) TIR was calculated as a total of net investment income, plus net realized and fair value changes in trading securities, funds held, and other investments, plus earnings from equity method investments divided by the five period average carrying value for each investment type.

The decrease in TIR in 2024 was primarily driven by:

- A decrease of $114 million when comparing a $48 million loss in the aggregate of realized losses and fair value changes on fixed maturities, trading and funds held compared to a net gain of $66 million in the comparable period, primarily due to rising interest rates across parts of the U.S., U.K. and European markets in 2024 as compared to a decline in interest rates in 2023; and
- Losses from equity method investments of $18 million, in comparison to income of $13 million in 2023. This was primarily due to losses from our Monument Re investment of $73 million partially offset by income on our investment in Core Specialty of $56 million during the year ended December 31, 2024. Income for the year ended December 31, 2023 in Core Specialty and Citco of $14 million and $4 million respectively, in addition to a gain related to the sale of our interest in Citco of $5 million, partially offset by losses from our Monument Re investment in 2023 of $10 million.
- This is partially offset by fair value changes on our other investments, including equities, of $495 million, in comparison to $397 million in 2023. The favorable variance of $98 million was primarily driven by an increase in net gains from our hedge funds, private equity funds, and real estate funds for the year ended December 31, 2024, largely as a result of sustained global equity market performance; and
- An increase in our net investment income of $4 million and an investment book yield from 3.86% to 4.35% due to a combination of reinvestment of fixed maturities at higher yields and deployment of consideration received from LPT and insurance contract transactions closed over the past 12 months, partially offset by the impact of declining overnight reference rate rates on the $3.0 billion of our average fixed maturities outstanding during the year that are subject to floating interest rates. Our floating rate investments generated net investment income of $226 million for the year ended December 31, 2024, a decrease of $18 million from the year ended December 31, 2023, which equates to a 29 basis point decrease in the yield of those investments.

The following tables show TIR by investment type, adjusted to reallocate certain categories of investments based on management's view of the underlying economic exposure of a particular investment, for each of our Bermuda Operating Subsidiaries covered under this report:

Cavello Bay

	2024			2023[1]		
INVESTMENT TYPE	**TIR ($)**	**Carrying Value**	**TIR (%) [2]**	**TIR ($)**	**Carrying Value**	**TIR (%) [2]**
			(in millions of U.S. dollars)			
Fixed maturities	$ 203	$ 4,512	4.2 %	$ 255	$ 5,199	4.8 %
Equities	193	689	30.2 %	173	587	21.9 %
Other investments	330	3,642	9.8 %	240	3,115	7.5 %
Equity method investments	(17)	300	(5.6)%	13	319	3.4 %
Cash and cash equivalents (including restricted cash)	22	629	4.9 %	23	413	4.3 %
Funds held	199	4,955	4.1 %	251	5,662	5.0 %
Intercompany	33			39		
Investment expenses	(32)			(12)		
Total	$ 931	$ 14,727	6.4 %	$ 982	$ 15,295	6.5 %

(1) Cavello Bay GAAP comparatives have been restated, refer to Item 1.c for additional information. Cavello Bay EBS comparatives have not been restated.

(2) TIR for Cavello Bay, Fitzwilliam and Enhanzed Re was calculated as a total of net investment income, plus net realized gains (losses) and fair value changes in trading securities, funds held, and other investments, plus (losses) income from equity method investments divided by the five period average carrying value for each investment type.

Fitzwilliam

INVESTMENT TYPE	2024 TIR ($)	2024 Carrying Value	2024 TIR (%) [1]	2023 TIR ($)	2023 Carrying Value	2023 TIR (%) [1]
			(in millions of U.S. dollars)			
Fixed maturities	$ (6)	$ 17	(5.6)%	$ 12	$ 170	5.7 %
Equities	1	—	25.0 %	1	6	16.7 %
Other investments	4	—	14.8 %	7	69	9.6 %
Cash and cash equivalents (including restricted cash)	1	12	3.8 %	2	45	3.6 %
Funds held	—	—	— %	—	152	— %
Intercompany	2			—		
Total	$ 2	$ 29	1.0 %	$ 22	$ 442	4.1 %

[1] TIR for Cavello Bay, Fitzwilliam and Enhanzed Re was calculated as a total of net investment income, plus net realized and fair value changes in trading securities, funds held, and other investments, plus earnings from equity method investments divided by the five period average carrying value for each investment type.

Enhanzed Re

INVESTMENT TYPE	2024 TIR ($)	2024 Carrying Value	2024 TIR (%) [2]	2023 TIR ($)	2023 Carrying Value	2023 TIR (%) [1]
			(in millions of U.S. dollars)			
Fixed maturities	$ (5)	$ —	— %	$ (30)	$ —	(65.2)%
Equities	—	—	— %	6	—	60.0 %
Other investments	2	—	12.5 %	4	79	4.9 %
Cash and cash equivalents (including restricted cash)	—	8	— %	3	10	3.4 %
Funds held	—	—	— %	(6)	—	(1.8)%
Investment expenses	—			(1)		
Total	$ (3)	$ 8	(12.0)%	$ (24)	$ 89	(4.2)%

[1] TIR for Cavello Bay, Fitzwilliam and Enhanzed Re was calculated as a total of net investment income, plus net realized gains (losses) and fair value changes in trading securities, funds held, and other investments, plus (losses) income from equity method investments divided by the five period average carrying value for each investment type.

g) Any Other Material Information

Fitzwilliam

During the years ended December 31, 2024 and 2023, specific activity concerning individual Fitzwilliam Segregated Accounts was as follows:

- **Segregated Account No.9 (“FW#9”)** – The reinsurance agreement was commuted to XL Bermuda effective April 30, 2024. Segregated Account FW#9 was closed in 2024.
- **Segregated Account No. 33 (“FW#33”)** – The reinsurance agreement was novated to Cavello Bay effective September 30, 2024. Segregated Account FW#33 was closed in 2024.
- **Segregated Account No. 35 (“FW#35”)** – The reinsurance agreement was novated to Cavello Bay effective December 30, 2024. Segregated Account FW#35 was closed on January 21, 2025.
- **Segregated Account No. 31 (“FW#31”)** – The reinsurance agreement with SIBL was commuted effective May 1, 2024. Segregated Account FW#31 was closed in 2024.
- **Segregated Account No. 41 (“FW#41”)** – The reinsurance agreement with SIBL was commuted effective May 1, 2024. Segregated Account FW#41 was closed in 2024.

- **Segregated Account No. 42 (“FW#42”)** – The reinsurance agreement with SIBL was commuted effective May 1, 2024. Segregated Account FW#42 was closed in 2024.
- **Segregated Account ILU (“FW#ILU”)** and **Segregated Account NILU (“FW#NILU”)** – The exposures assumed through these two Segregated Accounts from River Thames, a wholly-owned subsidiary of Cavello Bay, were commuted effective April 1, 2020. These Segregated Accounts were closed during 2023.
- **Segregated Account No. 36 (“FW#36”)** – The reinsurance agreement was novated to Cavello Bay effective September 30, 2022. FW#36 was closed in 2023.

A description of the significant business within specific individual Fitzwilliam Segregated Accounts not already discussed above is summarized below:

- **Segregated Account No. 23 ("FW#23")** - Effective December 31, 2010, FW#23 entered into an reinsurance agreement with three affiliates of CIGNA corporation ("CIGNA") whereby CIGNA ceded to FW#23 it's run-off block of personal accident and workers' compensation business. The reinsurance agreement is expected to be novated to Cavello Bay in 2025 and FW#23 is expected to be subsequently closed.

SIBL

Non-renewal of Reinsurance Agreement

SIBL reinsured Shelbourne Group Limited No. 1 Ltd. ("SGL1") on its 100% participation in Syndicate 1301 on years of accounts from 2017 through 2021 on a quota share and stop loss basis (the "SGL1 Reinsurance Agreement").

Following the closure on December 31, 2023 of the Syndicate 1301's 2021 year of account, the SGL1 Reinsurance Agreement was non-renewed effective 1 January 2024. As a result, SIBL reserves were reduced by $133 million.

Commutations

As referenced above, effective May 1, 2024, SIBL and Fitzwilliam Insurance Limited Segregated Account Companies FW#31, FW#41 and FW#42 agreed to commute the intercompany reinsurance agreements covering SIBL’s various discontinued lines of business.

Refer to Item 6 for other subsequent events.

ITEM 2. GOVERNANCE STRUCTURE

a) Board and Senior Executive Structure, Role, Responsibility and Segregation of Responsibilities

i) Roles and Responsibilities

The table below shows the current composition of our Board of Directors (the "Board") and the committee assignments of each of our directors as of April 28, 2025, as published in our 2024 Form 10-K:

Name	Board Position	Responsibilities
Robert J. Campbell	Chairman	Independent Non-Executive Board Member. Chair of the Board of Directors, Chair of the Audit, Investment, and Executive Committees. Member of the Human Resources and Compensation, and Nominating and Governance Committees.
B. Frederick Becker	Director	Independent Non-Executive Board Member. Chair of the Human Resources and Compensation, and Nominating and Governance Committees. Member of the Audit Committee.
Sharon A. Beesley	Director	Independent Non-Executive Board Member. Member of the Nominating and Governance Committee.
James D. Carey	Director	Non-Executive Board Member. Member of the Investment Committee.
Susan L. Cross	Director	Independent Non-Executive Board Member. Member of the Audit, and Risk Committees.
Hans-Peter Gerhardt	Director	Independent Non-Executive Board Member. Member of Human Resources and Compensation, Risk, and Executive Committees.
Myron Hendry	Director	Independent Non-Executive Board Member. Member of the Nominating and Governance, and Risk Committees.
Paul O'Shea	Director	Non-Executive Board Member. Member of the Executive Committee.
Hitesh Patel	Director	Independent Non-Executive Board Member. Chair of the Risk Committee. Member of the Audit, and Nominating and Governance Committees.
Dominic Silvester	Director	Executive Board Member. Chief Executive Officer. Member of Investment, and Executive Committees.
Poul A. Winslow	Director	Independent Non-Executive Board Member. Member of the Human Resources and Compensation, Investment, and Executive Committees.

The primary responsibility of the Board is to oversee the effective management of the Company's business in furtherance of the best interests of the Company and its shareholders. The Board therefore monitors and oversees the Company's operations and strategic initiatives, sets and approves the Company's risk appetite, ensures competent and robust risk management and the implementation of appropriate accounting and other internal controls. The basic duty of the directors is to exercise their business judgment in good faith and act in what they reasonably believe to be the long-term best interests of the Company and its shareholders. In carrying out the duties of the Board, the directors are required to act in accordance with all relevant and applicable legislative and regulatory rules.

Each year, the Board elects one director to serve as the Board's Chair. The Board is currently led by an independent director, Robert J. Campbell, who has served as its Chair since 2011. The Board has flexibility to determine whether the role of Chief Executive Officer ("CEO") and Board Chair are separated or combined based upon the Company's evolving needs, strategy, operating environment, shareholder input, and the Board's assessment of its leadership from time to time. The Board Chair is responsible for the effective functioning of the Board. In addition to the rights and obligations of the Chair set out in the Company's Bye-laws, the Chair assists with the Board's role in the execution of strategy and business plans, plays a prominent role in setting the Board's agenda, acts as the liaison between the Board and senior management, and presides at Board and Shareholder meetings. Subject to the Company's Bye-laws, the Board may revise the role and powers of the Chair from time to time. Additional details regarding the Board's leadership structure, including duties of our Board's Chair, are summarized in the Board's Terms of Reference and Corporate Governance Guidelines available on our website at https://www.enstargroup.com/corporate-governance and in the section titled "Board Leadership Structure" in our 2024 Form 10-K also available on our website at https://investor.enstargroup.com/annual-reports.

The Board has six standing committees: an Audit Committee, a Human Resources and Compensation Committee, a Nominating and Governance Committee, a Risk Committee, an Investment Committee, and an Executive Committee. Each committee is led by a Chair and operates under a written charter that has been approved by the Board. Each Committee reviews its charter annually, and recommends any proposed changes to the Board. Details of the composition and primary responsibilities of each of the Board's standing committees are summarized in the sections titled "Committee Membership" and "Information About Our Committees" in our 2024 Form 10-K. Current copies of the charters for all of our committees are available on our website at http://www.enstargroup.com/corporate-governance.

Our Board believes that our corporate governance structure appropriately satisfies the need for objectivity and includes several effective oversight measures, such as:

- the roles of Chairman and CEO are separated;
- the Chairman as well as a majority of our directors are independent directors who meet the criteria for independence required by the Nasdaq listing standards, as determined by the Board;
- all quarterly Board meetings include executive sessions of our independent directors; and
- the Audit, Risk, Human Resources and Compensation, and Nominating and Governance Committees of the Board consist solely of independent directors whose key functions include, respectively, (i) overseeing the integrity and quality of our financial statements and internal controls, (ii) overseeing the integrity and effectiveness of our Enterprise Risk Management Framework and reviewing and evaluating the risks to which we are exposed, (iii) overseeing the development of our compensation policies and practices, and (iv) reviewing director candidates, making recommendations for director nominations, and overseeing our corporate governance structure and practices.

While the Board and its committees maintain primary oversight responsibility of our strategy, operations and the management of the risks that we face, the Board believes that day-to-day management of the Company’s business is the responsibility of management and that the role of the Board is to oversee management’s performance of that function. The Board delegates day-to-day management of the business and implementation of strategy to the CEO. To assist the CEO in his day-to-day management of the Group, he is supported by recommendations and advice from the Group executive team, an executive forum comprising of senior Enstar management, which he leads.

The table below shows the current composition of our Group executive team as well as their roles and responsibilities as of April 28, 2025:

Name	Senior Executive Position	Responsibilities
Dominic Silvester	Chief Executive Officer	Responsible under the immediate authority of the Board for the conduct of the Group's business.
Nazar Alobaidat	Chief Investment Officer	Oversight of Group investment function.
Paul Brockman	Group Chief Commercial Officer	Management of Group operations and commercial development.
Matthew Kirk	Chief Financial Officer	Oversight of Group finance and accounting functions.
David Ni	Chief Strategy Officer	Development, oversight and delivery of Group strategic initiatives.
Laurence Plumb	Chief of Business Operations	Oversight of Group change, integration and IT functions.
Audrey Taranto	General Counsel	Oversight of Group legal function.

In addition, Seema Thaper, our former Group Chief Risk Officer and member of our Group executive team, departed the Company effective March 31, 2025. Ms. Thaper was responsible for oversight of the Group risk function. Following Ms. Thaper's departure, Chloe Paillot, our Chief Transaction Actuary, was appointed to the additional role of Acting Head of Risk and assumed responsibility for oversight of the Group risk function.

The operations and the risks related to our (re)insurance subsidiaries are also overseen by subsidiary Boards, subsidiary committees and the respective management teams, consistent with their Bye-Laws and applicable regulatory requirements. Please see Appendix II for a listing of Senior Executive Positions and Board members for our Bermuda Operating Subsidiaries covered under this report.

b) Remuneration Policy

i) Executive Compensation

Our executive compensation program currently consists of three principal elements: base salaries, annual incentive compensation and long-term incentive compensation. Executives also receive certain other benefits, including those pursuant to their employment agreements. The table below describes the principal elements of our executive compensation as well as the other components of our program.

PRINCIPAL ELEMENT	DESCRIPTION	KEY FEATURES
Base Salary	Provides the fixed portion of an executive's compensation that reflects scope of skills, experience and performance.	▪ Provides a base component of total compensation ▪ Established largely based on scope of responsibilities, market conditions, and individual and Company factors
Annual Incentive Compensation	Provides "at risk" cash pay that reflects annual Company performance and individual performance.	▪ Aligns executive and shareholder interests ▪ Rewards performance consistent with financial results and corporate and individual operational performance objectives that are designed to drive the Company's annual business plan and critical business priorities
Long-Term Incentive Compensation	Includes (a) PSUs that "cliff vest" following a three-year performance period subject to the Company's achievement of financial performance metrics, (b) RSUs that are subject to time- and service-based vesting conditions, and (c) for our CEO, the Joint Share Ownership Plan ("JSOP") Award granted in 2020 that "cliff vested" in January 2025 following a five-year performance period subject to the Company's share price growth with a payout level determined by appreciation and the achievement of a financial performance metric.	▪ Aligns executive and shareholder interests ▪ Drives long-term performance and promotes retention ▪ Heavily weighted towards performance-based awards ▪ PSUs do not vest unless performance measurements are met ▪ PSU vesting occurs within a range of 50-60% to 150-200% depending on the level of achievement ▪ JSOP Award vesting required share price hurdle to be met on the vesting date. Additionally, 20% of the value of the award was contingent upon the achievement of a performance condition tied to FDBVPS
Other Benefits and Perquisites	Reflects the local market and competitive practices such as retirement benefits, and, in the case of our Bermuda headquarters, payroll and social insurance tax contributions. Our CEO's employment agreement also provides benefits related to residing in Bermuda including allowances for housing and certain travel expenses.	▪ Provides benefits consistent with certain local market practices in order to remain competitive in the marketplace for industry talent and incentivizing certain expatriates to work primarily from Bermuda ▪ Promotes retention of executive leadership team
Employment Agreements	Provides certain protections for executives and their families in the event of death or long-term disability, termination, or change in control, as well as certain other benefits.	▪ Provides Enstar with protections such as restrictive covenants ▪ Promotes retention over a multi-year term and a sense of continuity among the leadership team ▪ Consistent with competitive conditions and legal requirements in Bermuda

Enstar's Human Resources and Compensation Committee (the "Compensation Committee") considers all compensation components in total when evaluating and making decisions with respect to each individual component. Although it does not mandate a specific allocation among the components of pay, the Compensation Committee believes that a meaningful portion of each executive's compensation should be “at risk” and performance-based.

The Compensation Committee also has the authority under its charter to retain independent compensation consultants and outside legal counsel or other advisors to provide analysis of total direct compensation of our executive officers in comparison to our peer group, to assist in the construct of our peer group, and to provide assistance with the design of long-term incentive programs.

As part of our risk management practices, the Compensation Committee reviews and considers risk implications of and incentives created by our executive compensation program and our compensation policies and practices for Enstar as a whole. At the Committee's direction, representatives from our risk management and legal departments conducted a risk assessment of our compensation policies and practices for executives and all employees, which was discussed and reviewed by the Committee.

The review analyzes compensation governance processes, situations where compensation programs may have the potential to raise material risks to the Company, internal controls that mitigate the risk of incentive compensation having an adverse effect, and program elements that further mitigate these risks. Through this review, the Committee has concluded that our compensation program does not create risks that are reasonably likely to have a material adverse effect on us.

For additional information on our executive compensation programs, refer to our 2024 Form 10-K.

ii) Director Compensation

Enstar's Human Resources and Compensation Committee is responsible for periodically reviewing and making recommendations to our Board regarding all matters pertaining to compensation paid to directors for Board, Board leadership and committee service. The Human Resources and Compensation Committee conducts a comprehensive review of non-employee director compensation biennially. Directors who are employees of the Company receive no fees for their services as directors.

In making non-employee director compensation recommendations, the Human Resources and Compensation Committee takes various factors into consideration, including, but not limited to, the responsibilities of directors and committee members generally, the responsibilities of Board and committee chairs, and the amount of compensation paid to directors by comparable companies. The charter of the Human Resources and Compensation Committee also authorizes the Committee to engage and work with our independent compensation consultant in connection with its review and analysis of director compensation, if and when it deems appropriate. The Board reviews the recommendations of the Human Resources and Compensation Committee and determines the form and amount of director compensation.

The Human Resources and Compensation Committee undertook a comprehensive review of the director compensation program in 2023 and determined it was appropriate to revise the amount of the annual retainer fee for non-employee directors other than the Chairman of the Board, increasing it from $200,000 to $250,000, payable half in cash and half in restricted ordinary shares subject to a one-year vesting period, effective January 1, 2024.

In 2024, Enstar's director compensation program included:

- a retainer payable quarterly for non-employee directors, and additional retainers payable quarterly for the Chairman of the Board, committee chairs and committee members; and
- an equity retainer payable annually in the form of restricted ordinary shares with a one-year vesting period for non-employee directors and the Chairman of the Board.

For additional information on our director compensation, refer to our 2024 Form 10-K.

ii) Employee Compensation

All Enstar non-executive employees receive a fixed base salary (commensurate with their role, experience, annual performance in the prior year and prevailing market conditions), an annual discretionary performance-based bonus and, at senior levels, employees are eligible to receive equity awards designed to incentivize and reward long term performance aligned with shareholder interests and attract and retain new qualified employees. In addition, employees, in accordance with local employment law, may benefit from various benefit plans, including medical and dental insurance, long-term disability insurance and life insurance. All employee equity awards are subject to the Company’s Recoupment Policy, which allows for the clawback of excess incentive compensation in the event of a financial restatement.

c) Pension or Early Retirement Schemes for Members, Board and Senior Employees

Our non-employee directors do not receive supplementary pension or retirement benefits. On an annual basis, all of our executive officers based in Bermuda, receive an amount equal to 10% of their base salaries in respect of a retirement benefit contribution. We also provide retirement benefits to eligible employees of our subsidiaries through various plans that we offer.

d) Material Transactions with Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executives

From time to time, we have participated in transactions in which one or more of our directors, executive officers or large shareholders has an interest. These transactions, called related-party transactions, require the approval of our Audit Committee (comprised entirely of independent directors), which reviews each transaction for fairness, business purpose, and reasonableness. Each transaction involving the Company and an affiliate entered into during 2024 was approved by our Audit Committee. Investment transactions with related parties are also subject to the review and approval of our Investment Committee.

The following tables summarize our related party balances and transactions, as published in the consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2024, and additional details about the nature of our relationships and transactions are included further below.

For additional information on our material transactions with shareholder controllers, persons who exercise significant influence, and the Board or senior executives, refer to Item 13. Certain Relationships and Related Transactions, and Director Independence of our 2024 Form 10-K.

As of December 31, 2024	Stone Point [1]	Monument	AmTrust	Core Specialty	Other
	(in millions of U.S. dollars)				
Assets					
Fixed maturities, trading, at fair value	$ 23	$ —	$ —	$ —	$ —
Fixed maturities, AFS, at fair value	283	—	—	—	—
Equities, at fair value	156	—	222	—	—
Funds held	—	—	—	18	—
Other investments, at fair value	424	—	—	—	1,754
Equity method investments	—	19	—	281	13
Total investments	886	19	222	299	1,767
Cash and cash equivalents	38	—	—	—	—
Other assets	6	—	—	10	—
Liabilities					
Losses and LAE	—	—	—	152	—
Other liabilities	1	—	—	—	—
Net assets	$ 929	$ 19	$ 222	$ 157	$ 1,767

[1] As of December 31, 2024, we had unfunded commitments of $106 million to other investments and $22 million to privately held equity investments managed by Stone Point and its affiliated entities.

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

	2024				
	Stone Point	Monument	AmTrust	Core Specialty	Other
	(in millions of U.S. dollars)				
Net premiums earned	$ —	$ —	$ —	$ 1	$ —
Net investment income	13	—	7	1	10
Fair value changes in trading securities, funds held and other investments	73	—	42	—	109
Total revenues	86	—	49	2	119
Net incurred losses and LAE	—	—	—	56	—
Total expenses	—	—	—	56	—
(Losses) income from equity method investments	—	(73)	—	56	(1)
Total net income (loss)	$ 86	$ (73)	$ 49	$ 2	$ 118

	2023						
	Stone Point	Northshore [1]	Monument	AmTrust	Citco	Core Specialty	Other
	(in millions of U.S. dollars)						
Net premiums earned	$ —	$ —	$ —	$ —	$ —	$ (5)	$ —
Net investment income	13	—	—	6	—	1	6
Fair value changes in trading securities, funds held and other investments	46	(11)	—	(9)	—	—	113
Total revenues	59	(11)	—	(3)	—	(4)	119
Net incurred losses and LAE	—	(2)	—	—	—	(21)	—
Total expenses	—	(2)	—	—	—	(21)	—
(Losses) income from equity method investments	—	—	(10)	—	9	14	—
Total net income (loss)	$ 59	$ (9)	$ (10)	$ (3)	$ 9	$ 31	$ 119

[1] Northshore ceased to be a related party in December 2023, following the completion of the RNCI redemption.

i) Stone Point Capital LLC

As of December 31, 2024, investment funds managed by Stone Point own 1,451,196 of our voting ordinary shares, which constitutes 9.5% of our outstanding voting ordinary shares. James D. Carey, Co-Chief Executive Officer of Stone Point, is a member of our Board.

In December 2023, we agreed to purchase from investment funds managed by Stone Point their remaining 39.3% interest in our subsidiary SSHL, in exchange for cash consideration, settlement of an existing loan receivable and our remaining interest in Northshore. As of December 31, 2023 we no longer have redeemable noncontrolling interests.

In November 2023, we repurchased voting ordinary shares held by Trident V Funds managed by Stone Point Capital LLC. In November 2023, our CEO, Dominic Silvester, agreed to acquire 45,000 of our voting ordinary shares held by the Trident Public Equity LP for a price of $10 million.

We have made various investments in funds and separate accounts managed by Stone Point or affiliates of Stone Point, and we have also made direct investments in entities affiliated with Stone Point. Where we have made an investment in a fund, the manager of such fund generally charges certain fees to the fund, which are deducted from the net asset value.

We also have certain co-investments alongside Stone Point and its affiliates, including our investment in AmTrust, described below, Mitchell TopCo Holdings, the parent company of Mitchell International ("Mitchell"), and Genex Services in which we have invested $33 million and account for as a privately held equity investment. Mitchell provides third-party outsourcing managed care services to one of our subsidiaries in the ordinary course of its business. During the year ended December 31, 2024 we committed to invest $10 million in an ILS arrangement through a Bermuda-based collateralized reinsurer that will provide reinsurance capacity across a diversified portfolio of casualty programs; Stone Point also invested in this ILS arrangement and is the investment manager.

ii) CPP Investments

We completed two share repurchase transactions with Canada Pension Plan Investment Board ("CPP Investments") in 2023. In March 2023, we repurchased all 1,597,712 of our outstanding Series C and Series E non-voting convertible ordinary shares held by CPP Investments, and in November 2023, we repurchased 791,735 of our voting ordinary shares held by CPP Investments and its affiliate.

iii) Northshore

In December 2023, our remaining equity interest in Northshore comprised a portion of the consideration we paid to our RNCI holders in exchange for acquiring the remaining equity interest in SSHL. As of December 22, 2023, Northshore ceased to be a related party following the exchange of a potion of our indirect interest in Northshore for all of the Trident V Funds' indirect interest in Starstone US.

We owned 13.8% of Northshore as an equity method investment and we sold our interest in the entity in December 2023. We have accounted for our residual equity interest in Northshore as an investment in a privately held equity security at fair value.

Concurrent with the closing of the Exchange Transaction:

- Arden entered into an LPT retrocession agreement with one of our majority owned subsidiaries, through which Arden fully reinsured its run-off portfolio with total liabilities of $19 million to our majority owned subsidiary, in exchange for a retrocession consideration of an equal amount.

  Arden retained the premium under a funds held arrangement, to secure the payment obligations of our majority owned subsidiary.

- One of our wholly-owned subsidiaries entered in a transition services agreement ("TSA") to provide certain transitional services to Northshore. The TSA was terminated in November 2022.

- SGL No.1 ceased its provision of underwriting capacity on Syndicate 609. We continued to report SGL No. 1's 25% gross share of the 2020 and prior underwriting years of Syndicate 609 through the year ended December 31, 2022. In 2023, the 2020 underwriting year completed a reinsurance to close into a successor year, at which point the existing contractual arrangements were settled.

  Historically, there was no net retention for Enstar on Atrium's 2020 and prior underwriting years as the business was contractually transferred to the Atrium entities that were divested in the Exchange Transaction.

iv) Monument Re

As of December 31, 2024, we own 24.6% of the common shares of Monument Re. As of December 31, 2024, a fund managed by Stone Point owns 15.7% of Monument Re’s preferred shares.

In November 2022, we closed a transaction with Monument Re to novate our reinsurance closed block of life annuity policies written by Enhanzed Re. A portion of the net gain on novation will be subject to deferral to account for our existing ownership interest in Monument Re. The final impact of the novation was reflected in our first quarter 2023 results, as we report the results of Enhanzed Re on a one quarter reporting lag.

We have accounted for our investment in the common shares (and the preferred shares prior to their conversion to common shares on January 2, 2024) of Monument Re as an equity method investment.

v) AmTrust

As of December 31, 2024 and 2023, we own 8.7% of the equity interest in Evergreen Parent L.P. ("Evergreen") and Trident Pine Acquisition LP ("Trident Pine") owns 22.6%. Evergreen owns all the equity interest in AmTrust Financial Services, Inc. (“AmTrust"). Trident Pine is an entity owned by private equity funds managed by Stone Point.

We have accounted for our investment in the shares of AmTrust as an investment in a privately held equity security at fair value.

vi) Citco

During 2023, we divested our equity ownership in the common shares of HH CTCO Holdings Limited and recorded a $5 million gain.

As of December 31, 2022, we owned 31.9% of the common shares in HH CTCO 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 III Limited ("Citco"). As of December 31, 2022, Trident owned 3.4% interest in Citco.

Prior to our divestiture we had accounted for our indirect investment in the shares of Citco as an equity method investment.

vii) Core Specialty

We account for our investment in the common shares of Core Specialty as an equity method investment on a one quarter lag.

We also have a LPT and ADC reinsurance agreement and an administrative services agreement ("ASA") between certain of our subsidiaries and StarStone U.S. and Core Specialty. The TSA was terminated in November 2022.

Furthermore, there are existing reinsurance agreements whereby (i) certain of our subsidiaries provide reinsurance protection to StarStone U.S. and (ii) StarStone U.S. provides reinsurance protection to certain of our subsidiaries. These arrangements remain in place.

viii) Other

We also have certain other investments, including investments in limited partnerships and partnership-like limited liability companies, that had we not elected the fair value option would otherwise be accounted for as equity method investments. We have disclosed our investments in these entities on an aggregated basis as they are individually immaterial.

e) Fitness and Proprietary Requirements

i) Fit and Proper Process in Assessing the Board and Senior Executive

The Company has adopted a Fit and Proper Policy. This policy describes the principles, criteria and processes designed to ensure that persons appointed to the Board and senior management roles are fit and proper to hold office on a collective and individual basis. Based on information gathered during any of the recruitment, appointment, periodic review or outsourcing due diligence processes, our directors and senior managers are assessed and must meet the following criteria to be deemed fit and proper:

- possess the necessary competencies, skills, experience, knowledge, expertise, diligence and soundness of judgment to undertake and fulfill the particular duties and responsibilities of the role;
- demonstrate the appropriate character, competence, honesty and integrity in fulfilling occupational, managerial or professional responsibilities previously and/or in the conduct of their current duties;
- demonstrate sufficient knowledge of and a willingness to comply with legal obligations, regulatory requirements, professional standards and fiduciary obligations;
- be aware of, and be able to effectively ensure implementation and compliance with, the underlying principles of laws, regulatory requirements and license obligations applying to the relevant entity;
- be able to identify and appropriately manage any conflicts of interest, in accordance with our Conflict of Interest Policy;
- disclose to the Company whether the individual or any entity, board of directors, executive management team, or other similar body that the individual has been associated with has, on the individual's behalf: (i) ever made a regulatory application or filing to a regulatory or governmental body, standard-setting board, or other similar authority (collectively, "Regulator") that was not approved, (ii) ever submitted and then withdrew or abandoned an application or filing to a Regulator, or (iii) ever received any formal or informal feedback from a Regulator that directly or indirectly resulted in a regulatory application or filing not being pursued and/or the resignation or removal from any appointment being sought;
- have not, or have not been involved with an entity that has, been refused admission, reprimanded, disqualified or removed by a professional or regulatory body due to matters relating to such person's honesty, integrity or business conduct;
- have not been terminated, resigned or asked to resign from a position as a director or manager or professional service provider to an entity in circumstances which reflected adversely on their honesty or integrity in discharging their responsibilities in that role;
- have not been the subject of civil or criminal proceedings or enforcement action, in which such person was determined in a final judgment to lack honesty or integrity; and/or
- have not intentionally hindered, obstructed or misled, or failed to be truthful with a regulatory agency.

Directors and senior managers in certain jurisdictions may be subject to additional local criteria applicable to their jurisdictions.

Fitness and propriety are assessed for directors and senior managers prior to their appointment. The ongoing assurance of fitness and propriety of the Company's directors and senior managers are re-assessed annually or more frequently should the Company become aware of any issue which may adversely impact a director or senior manager's fitness and propriety or upon a material change to the Company's business or risk profile. In addition, on an annual basis, all our directors and executive officers complete Directors' and Officers' Questionnaires, as well as Fit and Proper Declarations, the results of which are reported to the Company's Audit Committee, Nominating and Governance Committee or the respective Bermuda Operating Subsidiary Board.

The Company takes reasonable steps to ensure that all persons subject to its Fit and Proper Policy are aware of, and understand, the policy as well as their obligation to continue to meet the requirements on an on-going basis.

ii) Board and Senior Executives Professional Qualifications, Skills and Expertise

(1) Board Members

Dominic Silvester

Chief Executive Officer

Enstar Committees: Investment, Executive

Biographical Information

Dominic Silvester has served as a director and the Chief Executive Officer of the Company since its formation in 2001. In 1993, Mr. Silvester began a business venture in Bermuda to provide run-off services to the insurance and reinsurance industry. In 1995, the business was assumed by Enstar Limited, which is now a subsidiary of the Company, and for which Mr. Silvester has since then served as Chief Executive Officer. Prior to co-founding the Company, Mr. Silvester served as the Chief Financial Officer of Anchor Underwriting Managers Limited from 1988 until 1993.

Skills and Qualifications - Company leader; industry expertise; corporate strategy

As a co-founder and CEO of the Company, Mr. Silvester contributes to the Board his intimate knowledge of the Company and the run-off industry. He is well known in the industry and is primarily responsible for identifying and developing our business strategies and acquisition opportunities on a worldwide basis. Mr. Silvester has served as our CEO since the Company's inception, demonstrating his proven ability to manage and grow the business.

Paul J. O'Shea

Co-Founder

Enstar Committees: Executive

Biographical Information

Paul J. O’Shea retired as President of the Company in March 2023, a position he held since December 2016. He previously served as Executive Vice President and Joint Chief Operating Officer of the Company since our formation in 2001 and has also been a director throughout this time. He has led our mergers and acquisitions operations, including overseeing our transaction sourcing, due diligence, and negotiations processes. In 1994, Mr. O’Shea joined Dominic Silvester in his run-off business venture in Bermuda, and he served as a director and Executive Vice President of Enstar Limited, which is now a subsidiary of the Company, from 1995 until 2001. Prior to co-founding the Company, he served as the Executive Vice President, Chief Operating Officer and a director of Belvedere Group/Caliban Group from 1985 until 1994.

Certain Other Directorships

Mr. O'Shea currently serves as the Company's director representative on the board of directors of Core Specialty Holdings, a privately held property and casualty insurer.

Skills and Qualifications - Company leader; long track record of successful acquisitions; industry expertise

Mr. O’Shea is a qualified chartered accountant who has spent more than 30 years in the insurance and reinsurance industry, including many years in senior management roles. As a co-founder of the Company, Mr. O’Shea has intimate knowledge and expertise regarding the Company and our industry. As an executive, he was instrumental in sourcing, negotiating and completing numerous significant transactions since our formation.

Robert J. Campbell

Enstar Committees: Audit (Chair), Human Resources and Compensation, Investment (Chair), Nominating and Governance, Executive (Chair)

Biographical Information

Robert J. Campbell was appointed as the independent Chairman of the Board in November 2011. Mr. Campbell has been a Partner with the investment advisory firm of Beck, Mack & Oliver, LLC since 1990.

Certain Other Directorships

From 2014 to 2023, Mr. Campbell served as a director and chairman of the audit committee of AgroFresh Solutions, Inc. (formerly Boulevard Acquisition Corp.), a global agricultural technologies company, which was publicly held until taken private in March 2023. From 2015 through 2017, he served as a director of Boulevard Acquisition Corp. II, a blank check company that completed its initial public offering in September 2015. Mr. Campbell also served as a director of Camden National Corporation, a publicly traded company, from 1999 to 2014.

Skills and Qualifications - Financial, accounting, and investment expertise; leadership skills

Mr. Campbell brings to the Board his extensive understanding of finance and accounting, which he obtained through over 40 years of analyzing financial services companies and which is very valuable in his role as chairman of our Audit Committee. In addition, Mr. Campbell's investment management expertise makes him a key member of our Investment Committee, of which he serves as chairman. Mr. Campbell continues to spend considerable time and energy in his role, which is significant to the leadership and function of our Board.

B. Frederick Becker

Enstar Committees: Audit, Human Resources and Compensation (Chair), Nominating and Governance (Chair)

Biographical Information

B. Frederick Becker has over 45 years of experience in the insurance and healthcare industries. He served as Chairman of Clarity Group, Inc., a company he co-founded more than 20 years ago that specialized as a healthcare professional liability and risk management service provider until it was sold in early 2020. Prior to co-founding Clarity Group, Inc., he served as Chairman and Chief Executive Officer of MMI Companies, Inc. from 1985 until its sale to The St. Paul Companies in 2000. Mr. Becker has previously served as President and CEO of Ideal Mutual and McDonough Caperton Employee Benefits, Inc., and also served as State Compensation Commissioner for the State of West Virginia. He began his career as a practicing attorney.

Skills and Qualifications - Compensation, governance, and risk management experience; industry knowledge

Mr. Becker has over 45 years of experience within the insurance and healthcare industries. The Board also values Mr. Becker’s corporate governance experience, which he has gained from serving on many other boards over the years. In addition, his previous work on compensation matters makes him well-suited to serve as Chairman of our Human Resources and Compensation Committee. He has an extensive background in risk management, which enhances our risk oversight and monitoring capabilities.

Sharon A. Beesley

Enstar Committees: Nominating and Governance

Biographical Information

Sharon A. Beesley currently serves as the Managing Partner of BeesMont Law Limited, a Bermuda-based commercial law firm, which she established in 2008. She also serves as Chief Executive Officer of BeesMont Consultancy Limited, a Bermuda-based consultancy and management business, a position she has held since 2000, and as Chair of Aester Limited, a Bermuda regulated corporate services provider. Prior to 2000, Ms. Beesley was engaged in private legal practice in Bermuda and other international jurisdictions.

Certain Other Directorships

Ms. Beesley currently serves as a director of The China 'A' Fund Limited (appointed June 2005), a publicly listed fund trading on Euronext Dublin. She also serves on the boards of a number of privately held companies. From 2016 to 2021, Ms. Beesley served as a director on the board of the Bermuda Monetary Authority, our insurance group supervisor.

Skills and Qualifications - Legal expertise; regulatory and government experience; corporate governance

Ms. Beesley brings to our Board her multi-jurisdictional legal expertise, strategic and risk management perspectives, gained from over 40 years of experience in the legal and financial services industry advising on all areas of corporate law, investment funds, structured finance, joint venture structures, and mergers and acquisitions as a Solicitor in England and Wales, Hong Kong, and as a practicing Barrister and Attorney of the Bermuda Bar. In addition, Ms. Beesley's experience as a former director of our insurance group supervisor, the Bermuda Monetary Authority, is particularly valuable to our Board as we manage increasingly complex compliance, regulatory and governance matters.

James D. Carey

Enstar Committees: Investment

Biographical Information

James D. Carey is Co-Chief Executive Officer of Stone Point Capital LLC, a private equity firm based in Greenwich, Connecticut. He previously served as President of Stone Point Capital from April 2023 through March 2024, as Managing Director from 2021 to 2023, and prior to that as Senior Principal. Stone Point Capital serves as the manager of the Trident Funds, which invest exclusively in the global financial services industry. Mr. Carey has been with Stone Point Capital and its predecessor entities since 1997. He previously served as a director of the Company from its formation in 2001 until the Company became publicly traded in 2007. Mr. Carey rejoined the Board in 2013.

Certain Other Directorships

Mr. Carey currently serves as a director of IEQ Capital LLC, a privately held independent wealth management firm. He also serves on the boards of certain privately held portfolio companies of the Trident Funds. From July 2018 to June 2024, Mr. Carey served as a director of HireRight Holdings Corporation, a provider of global background screening services and workforce solutions, which was publicly held until taken private in June 2024. From July 2018 to October 2023, he served as a director of Focus Financial Partners, a company that invests in independent fiduciary wealth management firms, which was publicly held until taken private in August 2023. Previously, Mr. Carey also served as non-executive chairman of PARIS RE Holdings Limited and as a director of Alterra Capital Holdings Limited, Cunningham Lindsay Group Limited, Lockton International Holdings Limited, and Privilege Underwriters, Inc.

Skills and Qualifications - Investment expertise; industry knowledge; significant acquisition experience

Having worked in the private equity and financial services industries for more than 30 years, Mr. Carey brings an extensive background and expertise in the insurance and financial services industries. His in-depth knowledge of investments and investment strategies is significant in his role on our Investment Committee. We also value his contributions as an experienced director in the insurance industry, as well as his extensive knowledge of the Company.

Susan L. Cross

Enstar Committees: Audit, Risk

Biographical Information

Susan L. Cross has served as a director since October 2020. She served as Executive Vice President and Global Chief Actuary at XL Group (now AXA XL), from 2008 to 2018, and prior to that served as Senior Vice President and Chief Actuary of various operating segments since 1999.

Certain Other Directorships

Ms. Cross currently serves as a non-executive director at Unum Group (appointed February 2019), a Fortune 500 publicly held insurance company and leading provider of financial protection benefits, where she sits on the Audit Committee and Risk and Finance Committee. She also serves as a director of SiriusPoint Ltd ("SiriusPoint") (appointed May 2024), a publicly held global insurance and reinsurance company, where she sits on the Audit Committee and Risk and Capital Management Committee. Previously, Ms. Cross served on the boards of IFG Companies, American Strategic Insurance and several XL subsidiaries, including Mid Ocean Limited and XL Life Ltd.

Skills and Qualifications - Actuarial expertise; risk management, regulatory and governance skills; industry experience

Ms. Cross brings significant actuarial expertise to our Board, obtained from over 20 years of senior management experience as an actuary with XL Group. Her industry experience is particularly valuable to our Audit Committee and our Risk Committee given the complex nature of our run-off business. As a director of a Fortune 500 company, Ms. Cross also has knowledge of corporate governance matters and practices, which is valuable to our Board.

Hans-Peter Gerhardt

Enstar Committees: Risk, Human Resources and Compensation, Executive

Biographical Information

Hans-Peter Gerhardt served as the Chief Executive Officer of Asia Capital Reinsurance Group from October 2015 through June 2017. He has served continuously in the reinsurance industry since 1981. He is the former Chief

Executive Officer of PARIS RE Holdings Limited, serving in that position from the company's initial formation in 2006 through the completion of its merger into Partner Re Ltd. in June 2010. He previously served as the Chief Executive Officer of AXA Re from 2003 to 2006, also serving as Chairman of AXA Liabilities Managers, the AXA Group's run-off operation, during that time.

Certain Other Directorships

Mr. Gerhardt currently serves as a non-executive director of Northshore Holdings Ltd., a privately held holding company of Atrium Underwriters Limited. Previously, Mr. Gerhardt served as a non-executive director of StarStone Holdings Ltd., a privately held company, African Risk Capacity, a privately held company, Tokio Millenium Re, Tokio Marine Kiln, Asia Capital Reinsurance Group (until May 2017), and as an independent director of Brit Insurance Holdings PLC until the company's acquisition by Fairfax Financial Holdings in 2015.

Skills and Qualifications - Underwriting expertise; proven industry veteran

Mr. Gerhardt brings decades of underwriting expertise to our Board. He is a proven industry veteran, with significant leadership experience, including several successful tenures in CEO roles.

Myron Hendry

Enstar Committees: Nominating and Governance, Risk

Biographical Information

Myron Hendry most recently served as an executive advisor to AXA on integration matters. He previously served as the Executive Vice President and Chief Platform Officer for XL Catlin from 2009-2018, where he was responsible, on a Global basis, for Technology, Operations, Real Estate, Procurement, Continuous Improvement Programs and XL Catlin's Service Centers in India and Poland. He also served as Director on the XL India Business Services Private Limited Board, and he was the Chairman of the XL Catlin Corporate Crisis Committee responsible for Disaster Recovery and Business Continuity. Mr. Hendry was the founder of the XL Catlin's Leadership Listening Program. Throughout his career, he also held technology, operational and claims leadership roles at Bank of America's Balboa Insurance Group, Safeco Insurance and CNA Insurance.

Skills and Qualifications: Operations and Technology

Mr. Hendry brings to our Board expertise in insurance industry-specific information technology and operations management. His extensive experience as an executive engaging on technology matters at the board level is valuable to our Board and Risk Committee.

Hitesh Patel

Enstar Committees: Audit, Nominating and Governance, Risk (Chair)

Biographical Information

Hitesh Patel is an Independent Non-Executive director who serves on boards of a number of financial services companies as detailed in "Certain Other Directorships" below. Mr. Patel has over 30 years of experience working in the insurance industry, having served in the United Kingdom as KPMG LLP's Lead Partner on Insurance Accounting and Regulatory Services from 2000 to 2007. He served as Chief Executive Officer of Lucida, plc, a UK life insurance company, and prior to that as its Finance Director and Chief Investment Officer. He originally joined KPMG in 1982 and trained as an auditor.

Certain Other Directorships

Mr. Patel is the independent non-executive Chairman of Capital Home Loans Limited (appointed October 2015), a privately held buy-to-let mortgage provider, and of Augusta Ventures Holdings Limited (appointed December 2020), a privately held litigation finance provider. He is also a non-executive director of Landmark Mortgages Limited (appointed May 2016), a privately held master servicer and legal title holder providing oversight of mortgage loans secured on residential properties and unsecured loans. Until December 2019, Mr. Patel served as a non-executive director at Aviva Life Holdings UK Ltd and Aviva Insurance Limited (subsidiaries of Aviva plc) and as Chairman of its Audit Committee and member of the Risk and Investment Committees.

Skills and Qualifications; accounting expertise; regulatory and governance skills; industry experience

Mr. Patel brings significant accounting expertise to our Board, obtained from over two decades of auditing and advising insurance companies on accounting and regulatory issues, which is highly valuable to our Audit Committee. As a former industry CEO, he also has significant knowledge of risk management best practices, corporate governance matters, and the insurance regulatory environment, which are valuable to our Board, the Risk Committee, and the Nominating and Governance Committee.

Poul A. Winslow

Enstar Committees: Human Resources and Compensation, Investment, Executive

Biographical Information

Poul A. Winslow is President of Leaf Creek Advisors Inc., a privately held strategic consultancy for investment management firms, a role he has held since May 2022. Mr. Winslow previously served as Senior Managing Director & Global Head of Capital Markets and Factor Investing of the Canada Pension Plan Investment Board ("CPP Investments"), from 2018 until his retirement in May 2022. Previously Mr. Winslow served as Head of External Portfolio Management and Head of Thematic Investing for CPP Investments. Prior to joining CPP Investments in 2009, Mr. Winslow had several senior management and investment roles at Nordea Investment Management in Denmark, Sweden and the United States. He also served as the Chief Investment Officer of Andra AP-Fonden (AP2) in Sweden.

Certain Other Directorships

Mr. Winslow is a director of the International Centre of Pension Management (ICPM), a global independent non-profit network of pension organizations that focuses on fostering long-term investing, strengthening governance of pension investments, and improving design and governance of pension schemes. He is also a director of Sunnybrook Health Sciences Centre, a teaching hospital affiliated with the University of Toronto. Previously, Mr. Winslow served as a director of Exowave ApS, a privately held Danish wave energy startup. He also served as a director for the Standards Board for Alternative Investments, an international standard-setting body for the alternative investment industry, from September 2015 to June 2022, and of Viking Cruises Ltd., a privately held company, from 2016 to 2018.

Skills and Qualifications - Investment expertise; compensation and governance experience

Mr. Winslow brings significant investment expertise to our Board gained from his years in senior investment roles, which is highly valuable to our Investment Committee as it oversees our investment strategies and portfolios. His experiences at CPP Investments, including exposure to compensation and governance policies, are valuable in his role on our Human Resources and Compensation Committee.

Dominic Silvester

Chief Executive Officer

Please refer to "Board Members" section above.

Nazar Alobaidat

Chief Investment Officer

Nazar Alobaidat joined the Company as Chief Investment Officer in 2016. He formerly served as Managing Director and CIO of AIG Property Casualty's U.S., Canada and Bermuda regions and was with AIG from 2009 to 2016. Prior to that, he served as Vice President within the investment banking division of Lehman Brothers and Barclays Capital, specializing in derivatives and financing transactions for corporate clients of the investment bank. He previously served in the capital markets group of Deloitte from 2001 to 2006. Mr. Alobaidat is a Certified Public Accountant with a master's degree from the University of Florida.

Paul Brockman

Chief Commercial Officer

Paul Brockman was appointed Group Chief Commercial Officer in October 2024. Mr. Brockman, who joined the Company in 2012, served as Group Chief Operating Officer from March 2023 to October 2024, Interim CEO of Enstar (EU) Limited from January 2024 to July 2024, and as Group Chief Claims Officer from September 2020 to January 2024. Prior to this, he served as President and Chief Executive Officer of Enstar (US) Inc. ("Enstar US") from July 2016 to September 2020, President and Chief Operating Officer of Enstar US from November 2014 to July 2016, and as Senior Vice President, Head of Commutations for Enstar US from October 2012 to November 2014. Before joining the Company, he worked as Head of Reinsurance for Resolute Management Services UK Ltd. in its London office from April 2007 to October 2012 and, from April 2001 to April 2007, he worked as Manager of Reinsurance Cash Collection and Debt Litigation within the reinsurance asset division of Equitas Management

Services Ltd in London.

Matthew Kirk

Chief Financial Officer

Matthew Kirk was appointed Chief Financial Officer in March 2023. Mr. Kirk, who joined the Company in April 2020, served as Group Treasurer from April 2020 to February 2023, where he was responsible for raising and efficiently allocating capital and liquidity across the Group. Previously, Mr. Kirk held executive roles at Sirius International Insurance Group, including Group Treasurer and Head of Investor Relations, and President, Managing Director of Sirius Investment Advisors. Mr. Kirk was also an Assurance and Business Advisory Manager at Arthur Andersen. Mr. Kirk holds a B.S. in Accounting from the University of Delaware and an MBA from Columbia University. He is also a Certified Public Accountant (inactive).

David Ni

Chief Strategy Officer

David Ni was appointed Chief Strategy Officer in May 2022. Mr. Ni, who joined the Company in 2019, served as Executive Vice President, Mergers & Acquisitions from 2019 to 2022. Prior to joining the Company, Mr. Ni spent his career as an investment banker working in the U.S. and in Asia, and was a Managing Director at Deutsche Bank with responsibility for leading M&A in financial services. Prior to that, he was with Goldman Sachs for more than 10 years covering the financial services sector. Mr. Ni graduated with a Bachelor’s degree from Harvard University.

Laurence Plumb

Chief of Business Operations

Laurence Plumb was appointed Chief of Business Operations in May 2022. Mr. Plumb, who joined the Company in April 2020, served as Director of Operational Performance from April 2020 to May 2021, and Deputy Group COO from May 2021 to May 2022. Previously, Mr. Plumb worked in Financial Services in London for more than 13 years, focused on Financial Planning and Analysis and Capital Management at the Global Health Insurer BUPA and at RSA Insurance Group. He trained in Deloitte's Insurance and Investment Management Audit Practice and is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants in England and Wales (ICAEW). Mr. Plumb graduated with a Master's degree in Modern Languages from Cambridge University.

Audrey Taranto

General Counsel

Audrey Taranto has served as General Counsel since February 2019. From June 2017 to February 2019, she served as Group Head of Legal and from to April 2012 to June 2017 as SVP, Securities Counsel. She continues to serve as the Company’s Corporate Secretary, a position she has held since 2012. Prior to 2012, she was Senior Counsel and Assistant Corporate Secretary at Cigna Corporation and an Associate in the corporate department of Drinker Biddle & Reath LLP.

f) Risk Management and Solvency Self-Assessment

i) Risk Management Processes and Procedures to Identify, Measure, Manage and Report on Risk Exposures

Risk Management Strategy

The Group's Risk Management Strategy has been designed to meet our core objectives, which are to:

- engage in highly disciplined and risk-based acquisition, management and (re)insurance practices across a diverse portfolio of loss reserves;
- seek investment risk where it is adequately rewarded;
- maintain loss reserving risk in line with risk appetite;
- minimize capital, liquidity, credit, operational and regulatory risks; and
- promote the consideration of Environmental (specifically, climate change effects), Social and Governance (“ESG”) risks in the strategies, business planning and other operational process.

These strategies are pursued through the use of appropriate controls, governance structures and highly skilled teams effectively working together.

Our risk management strategy is embedded across the organization by promoting a strong culture of risk awareness. This is evidenced through our day-to-day approach to managing our business. In particular, risk matters are regularly discussed at management and Board meetings, providing challenge and considering opportunities against risks being assessed and managed.

The goal of our risk management strategy is to enable the proactive, pragmatic management of risks arising in day-to-day operations, primarily through the implementation and maintenance of an effective Enterprise Risk Management ("ERM") framework to ensure a robust control environment.

Risk Appetite Framework

The Risk Appetite Framework ("RAF") in place at both the Group and its regulated subsidiaries monitors risk taking throughout the business by linking business strategy and planning with available capital and risk. It is designed to:

- support the wider strategic decision-making process, for example ensuring that risk associated with proposed transactional activity is identified, evaluated and understood as part of the wider due diligence process and is consistent with approved appetite; and
- protect the Group and its subsidiaries from an unacceptable level of loss, compliance failures and/or adverse reputational impacts.

A qualitative risk appetite statement is set for each material risk to represent the amount of risk each Board is willing to accept. The risk appetite statement is supported by quantitative tolerances (such as minimum capital required). The qualitative risk appetite statements and supporting quantitative tolerances are reviewed and approved by each Board annually.

Though subsidiary companies’ RAFs are aligned with the RAF of the Group, the local company appetite and tolerances are reviewed against their specific risk profiles and strategy and approved by the local Board(s). A cascading and feedback loop exercise is undertaken and reviewed annually to ensure that subsidiary risk appetite does not in the aggregate exceed Group Risk Appetite.

Accountability for the implementation, monitoring and oversight of our risk appetite is aligned with individual corporate executives. On a quarterly basis, risk tolerances are reported by the assigned first line business owner to the Risk Management function who collate, review and provide challenge and aggregate all tolerances. Individual tolerances are rated "Red", "Amber" or "Green" ("RAG") relative to pre-defined thresholds.

Where deviation from "Green" is identified, remediation plans are required to reduce risk exposure within approved thresholds. These are documented by the first line with support from the Risk Management function. In certain circumstances, the Board may elect to accept the risk in instances where the breach is determined to be either of a temporary nature or where the breach in aggregate does not adversely impact the risk profile of the Company.

The RAG status of the tolerances, and where appropriate, proposed remediation plans are reported to the management committees and to the Board/Risk Committee on at least a quarterly basis. Where red threshold breaches for these metrics are identified they are reported to the Board.

As determined by the Board or respective Risk Committees, the RAF and tolerance(s) may be reviewed/updated outside of the annual review cycle in the event of a material change to:

- underlying risk profile (e.g., due to a significant M&A, investment transaction and/or change in strategy);
- system of Governance;
- regulatory or operating environment;
- market or macroeconomic conditions; and/or
- any other material change.

Risk Management Policies

The ERM framework is supported by a suite of Risk Management policies which are reviewed by the relevant policy owner and Management Risk Committee ("MRC") annually and formally approved by the EGL Risk Committee triennially. The subsidiaries adopt the Risk Policies and Frameworks approved by the Group.

Risk Governance and Culture

The Board actively oversees the management of risks to which the Group is exposed. Appropriate governance structures are also in place at the various subsidiary levels. This is achieved by:

- the implementation of a supporting committee structure and the delegation of specific duties;
- ensuring the Board and its Committees are composed of both Independent Non-Executive Directors, Non-Executive Directors and Executive Directors with the appropriate skill set to discharge their roles; and
- the establishment of Group and jurisdictional/subsidiary MRCs comprising members of executive and/or senior management who are responsible for the management of key risks (‘risk owners’) supported by representatives from assurance functions.

The Company, supported by the wider ERM Framework promotes an effective risk culture by:

- ensuring staff are hired through a rigorous hiring process with each role having clearly defined responsibilities;
- the annual attestation (all employees), confirming their understanding and compliance with the Employee Code of Conduct;
- the performance of an annual Compensation Risk Assessment to ensure employee remuneration and company interests/risk taking are aligned; and
- employee risk awareness training covering key compliance and IT security matters.

ii) Risk Management and Solvency Self-Assessment Systems Implementation and Integration into Operations

Risk Ownership, Accountability and Assurance

Enstar has adopted the Three Lines model (Management, Risk & Compliance and Internal Audit) to delineate accountabilities and establish a ‘check and balance’ management of risks across the Group. The Three Lines model has been selected to allow for clear ownership and accountability of risks, and independent assurance that these have been considered appropriately via the Internal Audit function. This model also allows for a clear assignment of risk management responsibilities across all Group activities and helps communicate the approach to risk management throughout the organization.

The Risk Management function, headed by the Group Chief Risk Officer (“CRO”), is responsible for both designing and operationalizing the various components of the ERM Framework throughout the Group. To ensure independence, the CRO reports to the Enstar CEO and has direct access to the Chair of the EGL Risk Committee. It should be noted that the CRO will obtain expertise from other functions / subject matter experts to provide coverage over key risk areas.

The Group and its subsidiaries have internal controls in place, designed to manage risks to acceptable levels and the effectiveness of controls is regularly considered in managing and balancing risk and appetite.

Entity Level Management

At the operating subsidiary level, risks relating to our individual (re)insurance subsidiaries are also overseen by the subsidiary boards of directors, subsidiary risk committees and other committees, and management teams, consistent with applicable regulatory requirements and our overall ERM framework that is embedded at local levels and throughout the business.

Risk Management System

The Risk Management team has a system in place to record key ERM related data, such as risk and control assessments.

Capital Management

Stress and scenario tests as well as the internal capital model are key tools within our capital management and risk appetite frameworks. They are used as risk indicators across risk categories, enabling the business to have a forward-looking view of risk. As part of monitoring and aggregating risk exposures across the Company, capital impact assessments are required to be performed for risks that are deemed material to Enstar. Capital impact assessments are performed in accordance with applicable regulatory or similar standards (including internal models where available).

On an ongoing basis the Group monitors that local Boards meet local regulatory capital requirements by maintaining adequate capital to enable its insurance obligations to be met while taking into account the risks faced. As a Bermuda regulated group, we are required to maintain available statutory capital and surplus in an amount that is at least equal to its enhanced capital requirement, as well as having its own view of required capital. The Group, and Cavello Bay utilize internal capital models to assist with assessing our internal view of capital requirements and inform the Solvency Self-Assessment ("SSA") process.

iii) Relationship Between Solvency Self-Assessment, Solvency Needs and Capital and Risk Management Systems

The SSA process is the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks that the Group faces or may face and to determine the capital necessary to ensure that overall solvency needs are met at all times. The SSA framework is fully integrated into our broader ERM Framework.

Within the SSA framework, the key elements informing the SSA process include:

i. the overall solvency needs, taking into account the specific risk profile, approved risk appetite and tolerance limits and the business strategy of the group and its subsidiaries;

ii. a consideration of all reasonably foreseeable material risks across all risk categories that the group is or could be exposed to, taking into account a forward looking analysis of potential future changes in the risk profile due to the business strategy or the economic and financial environment and any stresses thereon;

iii. the significance with which the risk profile of the group deviates from the assumptions underlying the Bermuda Solvency Capital Requirements model and other capital modelling exercises;

iv. a consideration of the nature and quality of capital or other resources appropriate to cover the risks identified and compliance, on a continuous basis, with relevant capital requirements;

v. the internal control and risk-management systems and approved risk appetite and tolerance limits; and

vi. ensuring the SSA is an integral part of the business strategy and taken into account on an ongoing basis in the strategic decisions of the group and subsidiaries and that a re-assessment is carried out following any significant change in the risk profile.

iv) The Solvency Self-Assessment Approval Process

The Risk Management function prepares and presents the quarterly ERM Report and annual Group Solvency Self Assessment ("GSSA") Report to Senior Management, the Group MRC and the EGL Risk Committee. At least annually, the Directors of the Company confirm that the risk profile is:

- appropriate relative to the business and that all known material risks within scope of the risk management process have been regularly reviewed and remain within risk appetite either with or without mitigation and that these risks have been sufficiently captured within the SSA; and
- that the Company is adequately capitalized and sufficient liquidity is available to meet the needs of the Group.

For each Bermuda domiciled subsidiary (besides Enhanzed Re, for which a waver was obtained), an equivalent approval process is followed with an annual Commercial Insurer’s Solvency Self-Assessment (“CISSA”) Report.

g) Internal Controls and Compliance

i) Internal Control System

The Company has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework as the criteria for evaluating the effectiveness of the Company's internal controls. The COSO 2013 framework includes the following components:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communications; and
- Monitoring Activities

The Company's assessment of its internal control framework takes into consideration all the components of the COSO 2013 framework and includes an evaluation of the design and operating effectiveness of all five components.

The Control Environment and Risk Assessment components apply broadly across the Company, while the Control Activity component is specific to processes and/or functions. The other COSO 2013 components, namely Information and Communication and Monitoring, apply at the entity level, as well as the process level.

Our internal control framework is designed to ensure processes are performed in accordance with company standards and that risk is both monitored and managed within the approved risk appetite. Such internal controls are assessed by control owners on a quarterly basis in terms of design and operational effectiveness.

Enstar has a comprehensive Internal Control over Financial Reporting ("ICFR") framework of financial controls consisting of policies and control procedures to assess financial statement risk and provide reasonable assurance that Enstar prepares reliable financial statements. The responsibility for ensuring ICFR compliance is assumed by the Chief Executive Officer and Chief Financial Officer with responsibilities appropriately assigned to the Company’s Audit and Disclosure Committees and other members of management. Where significant control failings are noted they are considered within the subsequent quarterly risk assessment as facilitated by our Risk Management application, where controls attestation is evidenced.

On an annual basis, Management attest to both the design and the operating effectiveness for all controls tested as part of the annual ICFR assessment program. The Audit Committee receives a quarterly update outlining all control deficiencies noted as part of the controls testing program and, where relevant, an assessment of the aggregated impact these deficiencies could have on the consolidated financial statements.

ii) Compliance Function

Compliance is a ‘second line’ activity in Enstar’s Three Lines model, with responsibility for monitoring and oversight of compliance with laws, regulations and administrative provisions, including identifying and reporting new regulations and assessing their impact. The first line, being the business units, is responsible for the performance of controls to manage Enstar’s business and mitigate risk to within an acceptable level.

As a second line function, the Compliance Function is responsible for monitoring the performance of internal controls designed to prevent breaches of regulatory, legal and internal compliance guidelines. Where such breaches are identified, the Compliance Function escalates these internally, working with business units to remediate such issues and recommending/implementing improvements where the control environment has not met its objective. The Compliance Function is not involved in the performance of first line controls.

The Compliance Function monitors compliance with material laws and regulations pertaining to integrity, conduct, prudential regulation, financial crime, data privacy and related internal policies and advising thereon. The Compliance Function is responsible for developing and maintaining a framework for ensuring compliance in these areas, aligned with the Group’s regulatory risk appetite. The Compliance Function also serves in an advisory capacity to the first line and senior management, particularly regarding the implications of regulatory and business change. It ensures appropriate training is provided to enable all business functions to meet their compliance and regulatory obligations. Compliance also attends committees and working groups (such as MRCs, project steering committees and working groups, and claims and operational oversight groups) as required to advise and report on regulatory compliance matters.

The Compliance Function reports administratively to the Group General Counsel. However, the Chief Compliance Officer and compliance team members are a separate and distinct second line function, with statutory and reporting duties to the Enstar Group and subsidiary Boards, including in some cases duties to independent directors and/or regulators. Regional compliance functions are established in each of the main geographical areas in which Enstar operates, with experienced local members of the function appointed to Approved Person positions in respect of Compliance (subject to regulatory approval) where appropriate. The Compliance Function’s reports are provided directly to the EGL Board and subsidiary Boards or Risk Committees as appropriate.

h) Internal Audit

The Internal Audit team conducts independent and objective assurance and consulting activities which are designed to improve the Group's operations.

As a third line function, Internal Audit assists Enstar in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our risk management, control, and governance processes.

i) Role of Internal Audit

The Internal Audit function reports to Group and subsidiary Audit Committees or Boards. The key role of Internal Audit is to provide independent and objective assurance on the adequacy and effectiveness of governance, risk management and controls that operate to manage key risks faced by the Group. This is achieved through risk-based reviews of the Enstar Group (and subsidiary) processes as part of an Internal Audit Annual Plan, testing of the ICFR Compliance Program on behalf of management and through audit consultancy to provide control based input into key projects and developments.

Internal Audit performs this by:

- Executing an annual risk based internal audit plan ensuring all material activities, controls and areas of greatest perceived risk are reviewed on a regular basis. This includes new business acquisitions and pre-implementation reviews of critical new applications and systems, to enhance controls at the point of implementation rather than after the fact; and
- Assisting in enabling the Chief Executive Officer and Chief Financial Officer in discharging their responsibilities related to Enstar's ICFR requirements annually.

ii) Independence of Internal Audit

Internal Audit ensures its independence in order to facilitate an independent and objective attitude when performing its duties. Where Internal Audit have provided consultancy services, this is documented within a conflicts register so that the appropriate action is taken to ensure team objectivity is maintained. In addition, Internal Audit have full, free and unrestricted access to the records and personnel relevant to the functions they review. Documents and information given to Internal Audit during a periodic review are handled in a prudent and confidential manner.

i) Actuarial Function

The Group's actuarial function is led by our Group Chief Actuary with responsibility for the oversight of group actuarial services over reserving and input to acquisition due diligence.

The actuarial team comprises qualified and partly qualified actuaries with experience in non-life run-off portfolios.

Internal and external actuarial reserving estimates are reviewed by the Reserve Committees to ensure that the carried loss reserves are both reasonable and appropriate. For certain subsidiary jurisdictions, a report supporting the Actuarial Function is produced annually where the lead actuary in each of the business units confirm the duties, work completed, limitations, capital model, validation, data and controls and the actuarial movement on reserves. In addition where contractually required, for example transactions such as Schemes of Arrangement, independent actuaries are used to perform an annual independent reserve review and to provide actuarial opinions.

The Group Chief Actuary attends the Audit Committee quarterly to present on reserve movements, risks, and other actuarial matters. In addition, independent actuarial experts are brought in to present to the Audit Committee.

j) Outsourcing

i) Outsourcing Policy and Key Functions that have been Outsourced

The Company's Material Services and Outsourcing Policy ("The Policy") sets out the methodology for selecting and managing Material, Outsourcing and Material Outsourcing supplier relationships. The Policy ensures sound risk management processes are followed during the vetting, selection, on-boarding, in-service management and off-boarding of applicable suppliers.

Once a service need has been identified, an assessment is performed to determine whether the service is Material, Outsourcing or Material Outsourcing. If the service falls into one of these categories, the Policy outlines the enhanced due diligence, risk assessment, service management and governance processes that apply to ensure we remain regulatory compliant across our regulated jurisdictions.

These processes include, (where appropriate, and are not limited to):

- ensuring the supplier's ability, expertise and capacity supports Enstar's requirements;
- reviewing supplier business continuity, resiliency and exit plans to determine any impact to Enstar in the instance of a planned or unexpected loss of service;
- executing a compliant contract that outlines the supplier's legal responsibilities, scope of service, service level agreements ("SLAs") and contains appropriate clauses to satisfy regulatory requirements;
- service management to ensure supplier performance is monitored against adherence to SLAs, Key Performance Indicators and other factors within the contract;
- completion of Data Protection and Information Security Assessments are completed to manage the risk relating to the management of personal data and our IT infrastructure;
- considers concentration, location and supply chain risk (sub-contracting); and
- appropriate executive governance and oversight is applied when deciding to engage, manage and off-board such suppliers.

Any legacy or inherited supplier arrangements arising from acquisitions of insurance portfolios are reviewed as part of the same process described above.

The onboarding, contracting, in-service management and off-boarding of the following supplier relationships have separate, comparative processes applied to them:

- Third Party Claims Administrators (TPAs) are managed by Cranmore, Enstar's specialist consultancy firm staffed with highly experienced (re)insurance claims experts, under the authority and direction of the Claims department. Management includes but is not limited to, supplier selection, performance management, technical claims oversight, quality assurance and compliance audits, and data and analytics.

- Investment Managers are managed through the execution of investment management agreements and investment guidelines negotiated by the Enstar Investment department, which has delegated responsibility from the EGL Investment Committee to act as an investment advisory managing the day-to-day operations of Enstar's investment portfolio. These responsibilities include: ensuring that Enstar's portfolio meets the investment objectives and constraints outlined in Enstar's Investment Policy; executing investment management agreements with external asset managers; reviewing, selecting, and authorizing external managers to manage Enstar's assets; rebalancing the portfolio to take advantage of opportunities in the market; reporting and presenting relevant investment information to the EGL Investment Committee.

ii) Material Intra-Group Outsourcing

Enstar comprises several regulated (re)insurance companies, which have very few employees, if any. Rather, Enstar employees are predominantly employed within regional service group companies which, through inter-company service agreements, perform the necessary operational functions required of each group company.

These functions include but are not limited to the provision of the company's Information Technology Infrastructure as well as internal control and key functions such as Risk Management, Actuarial, Compliance, Finance and Internal Audit.

Enstar has a set of intra-group contracts to govern the flow of services between its businesses.

k) Other Material Information

N/A

ITEM 3. RISK PROFILE

a) Material Risks

The risks facing the Group currently include those related to strategic risk, capital adequacy risk, acquisitions/ transactions risk, insurance (including reserving) risk, investment risk, liquidity risk, foreign exchange risk, credit/ counterparty risk, operational risk, regulatory risk, tax risk and the financial impact of ESG risks as well as risks relating to the proposed mergers. For a discussion of risks related to our business and operations, please see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024.

b) Risk Mitigation

The identification, analysis, evaluation treatment and reporting of risks is performed by the Risk Management function as laid out within the ERM Framework and suite of supporting policies including Emerging Risks. Risks and their assessment are reported to the Board (and Committees of the Board), subsidiary Boards and relevant Management Risk Committee as appropriate. Appropriate processes are maintained at the subsidiaries as well. The ERM Framework components are described below.

- Strategic risk – The risk of unintended adverse impact on the business plan objectives arising from business decisions, improper implementation of those decisions, ability to adapt to changes in the external environment, or circumstances that are beyond our control.
- Capital Adequacy risk – The risk that capital levels are or become insufficient to ensure our insurance obligations will be met and policyholders are protected.
- Acquisitions / Transactions risk – The risk that an acquisition or portfolio transfer results in a loss or has an adverse effect on our business profile and operations.
- Insurance (including Reserving) risk – The risk that the Company's reserves are not sufficient to cover its unpaid loss and loss adjustment expense costs.
- Investment risk – The possibility that an investment's actual return will differ from an expected outcome or return, which may include losing some or all of the original investment.

- Liquidity risk – The risk that the Company is unable to realize investments and other assets in order to settle financial obligations when they fall due or would have to incur excessive cost to do so.
- Foreign Exchange risk – The risk that the Company will suffer financial loss as a result of movements in the value of currencies relative to the U.S. Dollar. There are four categories of foreign currency risk relevant to the Company's business: transaction risk, translation risk, economic risk and contingent risk.
- Credit / Counterparty risk – The risk relating to the uncertainty of a counterparty's ability to make timely payments in accordance with contractual terms of the instrument or contract.
- Operational risk – The risk of a loss arising from inadequate or failed internal processes, or from external events, personnel, systems or third parties. Due to our acquisitive strategy, operational risk also includes risks and challenges associated with integrating new companies into the Group.
- Regulatory risk – The risk of legal or regulatory sanctions resulting in a financial loss, or loss of reputation as a result of an insurer's failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct.
- Tax risk – The risk that tax requirements are not adhered to accurately and in a timely manner resulting in a financial loss.
- Financial impact of ESG risk - The potential long-term impact of Environmental (including adverse Climate impacts on physical, ecological and economic environments), Social and wider Governance risks.

The mitigation activities for the risk components outlined above are covered within Item 2(f).

Emerging Risks

As part of our ERM Framework, we maintain an Emerging Risk Framework, which sets out the minimum standards by which emerging risks are identified, analyzed, evaluated, treated and reported on. Pursuant to this framework, the Management Risk Committees and our Group Risk Committee continually monitor emerging risks and oversee changes to our ERM Framework to react to these risks, where appropriate. Emerging risks are defined as "risks which may develop or which already exist but are difficult to quantify" and are marked by a high degree of uncertainty. While emerging risks are not fully understood or explicitly considered within the day-to-day operation of our business due to the lack of quantifiable data, we expect that the potential impacts of these risks may crystallize over time and therefore merit additional analysis, monitoring, evaluation and, when appropriate, management. See "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 for further detail on these risks.

c) Material Risk Concentrations

The Company has an Investment policy governing risk concentrations in relation to counterparties, credit quality, sectors and geographical locations. As a general practice, our investment holdings maintain a sufficient amount of diversification to mitigate the impact of concentration risk, with limits in place depending on the asset class and credit quality. Risk concentration and counterparty exposure is aggregated by the investment department and reported to the Investment Committee on a quarterly basis. Risk concentrations in relation to insurance exposures are considered as part of our stress and scenario testing covered within Item 3(e) below.

d) Investments in Accordance With the Prudent Person Principles of the Code of Conduct

The Company's investment portfolio is managed by the Company's investment team in accordance with the Company's investment policy guidelines which consider the Prudent Person Principles of the Code of Conduct.

The guidelines establish as an objective:

1. maintaining sufficient liquidity to settle claims and pay debts as they fall due; and
2. providing a prudent return on the investment portfolio within prescribed risk parameters.

The guidelines outline permitted asset classes, ratings limits, single-issuer limits, duration guidance and other constraints that impact the asset allocation. These guidelines are reviewed on an annual or ad hoc basis if any significant deviations have occurred that affect the financial markets.

e) Stress and Scenario Testing Analysis to Assess Material Risks

Estimates of both the impact and likelihood are determined via analysis such as stress tests and scenario analysis, including reverse stress tests, with regard to the relevant risks faced by the Company. This includes a consideration of risk aggregation and dependencies when assessing each risk.

A standard set of stress and scenario analysis is undertaken on a quarterly basis. This is overlayed with ad-hoc analysis undertaken due to potential changes in risk profile.

- Quarterly analysis is focused on key risk areas:
  - Investment Risk stress testing is designed to simulate interest rate shocks, market down turns, segment sell offs and inflationary/deflationary pressures are performed and reported to the Investment Committee. These standard investment stress tests are also used to evaluate potential changes in strategic direction with respect to the underlying investment allocation.
  - Insurance Risk exposure and associated concentration and aggregation is simulated to quantify both aggregate and single event perils by region and the potential for clash between regions/sub-regions.
- Ad-hoc analysis is performed for internal management purposes, to support understanding of changes in the business' risk profile and to calibrate potential management actions in response. Such tests are performed at managements and/or the Boards discretion or request. For example, when liabilities are acquired, stress testing is undertaken to ensure the pertinent risks to the business are highlighted and mitigating actions planned as a result of the new business.

Based on this on-going analysis, management consider the Group and its subsidiaries to be appropriately capitalized with adequate liquidity to meet its liabilities and that risks to which the company are exposed continue to be managed within our appetite.

ITEM 4. SOLVENCY VALUATION

a) Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

The consolidated financial statements for Enstar and our Bermuda Operating Subsidiaries, are prepared in conformity with U.S. GAAP[3] and form the basis for the preparation of both the EBS and the SFS as required under Bermuda insurance regulations. The EBS and SFS are used by both Enstar and the BMA in assessing the minimum solvency and capital requirements.

Enstar has used the valuation principles outlined by the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011, Insurance (Prudential Standards) (Class 4 and Class 3B Solvency Requirement) Rules 2008; Insurance (Prudential Standards) (Class 3A Solvency Requirement) Rules 2011; and the BMA's "Guidance Note for Statutory Reporting Regime" to prepare its EBS. Those valuation principles are summarized below:

Investments and Cash and Cash Equivalents (including Restricted Cash)

The valuation methodology for investments and cash and cash equivalents (including restricted cash) under U.S. GAAP is consistent with the valuation approach for EBS purposes.

[3] For additional information on our significant accounting policies, refer to Note 3 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024.

Premiums Receivable

Under the EBS approach premiums receivable are valued in line with U.S. GAAP with the exception that any balance due related to unearned premium reserves are included within the technical provisions. Refer to Item 4(b) for further information on our technical provisions.

Reinsurance Balances Recoverable on Paid and Unpaid Losses (including Fair Value Option)

Under the EBS approach, reinsurance balances recoverable on unpaid losses (including fair value option, but excluding paid losses recoverable) are included within the technical provisions. Refer to Item 4(b) and (c) for further information on our technical provisions and reinsurance balances recoverable on unpaid losses, respectively.

Insurance Balances Recoverable

The valuation methodology for insurance balances recoverable under U.S. GAAP is consistent with the valuation approach for EBS purposes except that any recoverable balances due related to defendant asbestos and environmental are accounted for using the equity method (net assets).

Funds Held by Reinsured Companies

The valuation methodology for funds held by reinsured companies under U.S. GAAP is consistent with the valuation approach for EBS purposes.

Deferred Charge Assets

Under the EBS approach, deferred charge assets are valued at zero.

Deferred Acquisition Costs

Under the EBS approach deferred acquisitions costs are valued at zero in order to avoid double counting as deferred acquisitions costs are implicitly included in the premium provision valuation within the technical provision.

Prepaid Reinsurance Premiums

Under the EBS approach, prepaid reinsurance premiums are included within the technical provisions. Refer to Item 4(b) for further information on our technical provisions.

Goodwill and Intangible Assets

Under the EBS valuation approach, goodwill is valued at zero and intangible assets can only be recognized if they can be sold separately and the expected future economic benefits will flow to the insurer and the value of the assets can be reliably measured.

Refer to Note 17 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024 for more information on our goodwill and intangible assets.

Other Assets (including Derivative Instruments and Deferred Tax Assets)

Under the EBS valuation approach, prepaid assets are valued at zero since they cannot easily be converted to cash. Additionally, deferred tax assets ("DTA") related to Bermuda Corporate Income Tax Act 2023 (CIT Act) implementation are valued at zero. In accordance with directive issued by the BMA, the Company has opted not to record any Bermuda CIT related DTA as at December 31, 2024 and will reflect the impact by December 31, 2025. The valuation methodology for all other assets (including derivative instruments and other deferred tax assets) under U.S. GAAP is consistent with the valuation approach for EBS purposes.

Letters of Credit

Under both U.S. GAAP and the EBS approach letters of credit are not recorded on our consolidated balance sheet as liabilities, except for in the case of Cavello Bay whereby as of December 31, 2024 a $300 million letter of credit is admitted under the EBS approach as Other Fixed Capital (December 31, 2023: $300 million letter of credit).

b) Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

All losses and loss adjustment expenses (including fair value option), future policyholder benefits and unearned premiums are initially established in accordance with U.S. GAAP. Once U.S. GAAP provisions have been determined, insurance technical provisions for our EBS are calculated in accordance with the methodology outlined by the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 and the BMA's "Guidance Note for Statutory Reporting Regime 2024".

Insurance technical provisions are valued based on best estimate cash flows, adjusted to reflect the time value of money using a risk-free discount rate with an appropriate illiquidity adjustment, and include a risk margin.

Net Loss and Loss Expense Provision

The best estimate for the net loss and loss expense provision is calculated by using U.S. GAAP net reserves as the starting point and then performing a series of adjustments:

- Removal of prudence margins;
- Incorporation of Events Not in Data Set ("ENIDS");
- Other adjustments related to consideration for investment expenses, etc.;
- Adjustments for fair value items contained in the US GAAP net loss reserves; and
- Discounting of cash flows.

Net Premium Provision

The best estimate for the net premium provision is calculated by using the net unearned premium reserve on a U.S. GAAP basis, adjusting for bound but not incepted ("BBNI") business and applying expected future loss ratios (including EBS adjustments), expense ratios and appropriate claims pay-out patterns to derive cash flows which are then discounted.

Risk Margin

The risk margin to reflect the uncertainty inherent in the underlying cash flows which is calculated using a cost of capital approach and a risk-free discount rate. The risk-free discount rates are prescribed by the BMA for each reporting period.

The total technical provisions comprised the following for Enstar and our Bermuda Operating Subsidiaries covered under this report:

December 31, 2024	Best Estimate Net Loss and Loss Expense Provision	Best Estimate Net Premium Provision	Risk Margin	Total
	(in millions of U.S. dollars)			
Enstar	$ 8,969	$ 107	$ 788	$ 9,864
Cavello Bay	7,573	37	668	8,278
Fitzwilliam	13	—	3	16
Enhanzed Re	—	—	—	—

December 31, 2023	Best Estimate Net Loss and Loss Expense Provision	Best Estimate Net Premium Provision	Risk Margin	Total
	(in millions of U.S. dollars)			
Enstar	$ 9,810	$ 145	$ 868	$ 10,823
Cavello Bay [(1)]	8,052	45	730	8,827
Fitzwilliam	219	—	25	244
SIBL	213	7	13	233
Enhanzed Re	—	—	—	—

(1) Cavello Bay GAAP comparatives have been restated, refer to Item 1.c for additional information. Cavello Bay EBS comparatives have not been restated.

c) Description of Recoverables from Reinsurance Contracts

Technical provisions valued under the EBS approach are presented net of reinsurance balances recoverable on unpaid losses (including fair value option, but excluding paid losses recoverable). Recoverables from reinsurance contracts are valued based on principles similar to the gross best estimate bases and include reinstatement premiums required to be paid to the reinsurer, and expenses in relation to the management and administration of reinsurance claims. The balance is adjusted for counterparty credit rating based on rating agency and experience default statistics.

d) Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities

Defendant Asbestos and Environmental Liabilities

Under the EBS valuation approach, accounting for defendant and environmental liabilities is done so on an equity method basis (net assets).

Unearned Premiums

Under the EBS approach, unearned premiums are included within the technical provisions. Refer to Item 4(b) for further information on our technical provisions.

Insurance and Reinsurance Balances Payable

The valuation methodology for insurance and reinsurance balances payable under U.S. GAAP is consistent with the valuation approach for EBS purposes.

Debt Obligations

The valuation methodology for debt obligations under U.S. GAAP is consistent with the valuation approach for EBS purposes, however certain debt obligation have been approved by the BMA as eligible capital as described in the following section.

Other Liabilities (including Derivative Instruments and Deferred Tax Liabilities)

The valuation methodology for other liabilities (including derivative instruments and deferred tax liabilities) under U.S. GAAP is consistent with the valuation approach for EBS purposes.

Letters of Credit

Under both U.S. GAAP and the EBS approach letters of credit are not recorded on our consolidated balance sheet as liabilities.

ITEM 5. CAPITAL MANAGEMENT

a) Eligible Capital

i) Capital Management Policy and Process for Capital Needs

Overview

Enstar aims to generate cash flows from our (re)insurance operations and investments, preserve sufficient capital for future acquisitions, maintain investment-grade long-term debt ratings, and develop relationships with lenders who provide borrowing capacity at competitive rates.

Our key strategic objectives in respect of capital management include:

- To hold sufficient capital throughout the group to support policyholder and other stakeholder obligations. We ensure that all relevant statutory capital requirements and internal capital target levels (as set out in the Risk Appetite Framework), are met continuously, particularly in times of stress.
- Optimize group capital to enhance the return on equity for our shareholders whilst maintaining a sufficient buffer above our regulatory requirements. We look for opportunities to simplify our legal structure by way of company amalgamations and mergers, intragroup and external reinsurance and other transactions to improve capital diversification and efficiency.
- To generate capital organically through group profits. Our strategy is to retain group earnings and invest distributions from our subsidiaries back into the company. We will also consider repurchasing ordinary shares when management determines that repurchases would create a greater return on equity than could be achieved on M&A deployment and / or external investments.
- To maintain an appropriate quality of capital at both the group and subsidiary level and the ability to move funding and surplus capital around the group to meet business needs while ensuring the process follows prescribed local governance and regulatory approval processes.
- To prudently raise group capital through capital raising activities in debt and equity markets (both public and private) and maintain strong relationships with external markets and credit ratings agencies.

Our U.S. GAAP capital resources as of December 31, 2024 included ordinary shareholders' equity of $5.6 billion (2023: $5.0 billion), preferred equity of $510 million (2023: $510 million), noncontrolling interests of $6 million (2023: $113 million, including redeemable non-controlling interests) and our debt obligations of $1.8 billion (2023: $1.8 billion). Based on our current loss reserves position, our portfolios of in-force (re)insurance business, and our investment positions, we believe we are well capitalized.

Share Repurchases and Dividends

Our strategy is to retain earnings and invest distributions from our operating subsidiaries into our business. We may choose to return value to shareholders in the form of share repurchases or dividends. For details on our share repurchase programs, refer to Note 20 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024. To date, we have not declared any dividends on our ordinary shares.

Dividends on our Series D and Series E preferred shares are non-cumulative and may be paid quarterly in arrears, only when, as and if declared. For further information on preferred share dividends, refer to Note 20 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

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 as described in Note 25 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Sources and Uses of Cash

Holding Company Liquidity

As of December 31, 2024, holding company cash and cash equivalents amounted to $534 million (December 31, 2023: $6 million). The increase in cash and cash equivalents is pursuant to contractual requirements to maintain cash and cash equivalents that can be used to fund the return of capital related to the Merger. We expect to make significant cash distributions in connection with the Merger. At the closing of the Merger, we expect to return capital of approximately $500 million in cash to our shareholders as part of the Merger consideration. Also, in connection with the Merger, Parent will enter into a $950 million term loan facility. Although we will not be a guarantor or otherwise obligated for any amounts due under such term loan facility, we expect that Parent will seek to repay a significant portion of the facility at or following the closing of the Merger (and in any event prior to its maturity) with distributions from us.

We conduct substantially all our operations through our subsidiaries. As such, the potential sources of liquidity to Enstar as a holding company consist of cashflows 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 facilities, 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.

In May 2023, we and certain of our subsidiaries, as borrowers and guarantors, amended and restated our existing revolving credit agreement, which we originally entered in August 2018. The amendment and restatement increased the total commitments under the revolving credit facility from $600 million to $800 million and extended the expiry date to May 30, 2028. We have the option to request additional commitments under the facility by up to an aggregate amount of $200 million, which the existing lenders, in their discretion, or new lenders, may provide. Under the amended and restated facility, we may borrow revolving loans or request the issuance of syndicated or fronted letters of credit, in each case on a senior, unsecured basis, and pricing will continue to be based on a per annum rate comprising a reference rate determined based on the type of loan we borrow plus a margin based on our long term senior unsecured debt ratings. As of December 31, 2024, we had $800 million of available unutilized capacity under this unsecured revolving credit agreement.

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. During the year ended December 31, 2024, we received $704 million in dividends and return of capital from our subsidiaries, comprising $500 million of cash distributions and $204 million in equity securities and settlement of loan receivables. We did not distribute dividends to our subsidiaries during the year. During the year ended December 31, 2023, we did not receive any dividends from, and we did not distribute funds to, our subsidiaries.

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 December 31, 2024 for any material withholding taxes on dividends or other distributions.

Merger-Related Costs

Fees and other expenses that are contingent on the closing of the Merger are estimated to range from $90 million to $105 million for consulting and advisory, legal services and employee-related bonuses. Refer to Note 1 of our consolidated financial statements included within the Form 10-K for further information on the Merger Agreement.

U.S. Finance Company Liquidity

Enstar Finance is a wholly-owned finance subsidiary under which we have issued our Junior Subordinated Notes. Like 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.

Operating Company Liquidity

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, Liechtenstein and Belgium, 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 December 31, 2024, our (re)insurance subsidiaries' capital requirement levels were more than the applicable 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.

ii) Eligible Capital Categorized by Tiers in accordance with the Eligible Capital Rules

Eligible capital represents the Company's assessment of the quality of its capital resources eligible to satisfy its regulatory requirements. As of December 31, 2024 and 2023, the Company's eligible capital was categorized as follows:

	2024	2023
	(expressed in millions of U.S. dollars)	
Tier 1	$ 5,438	$ 4,491
Tier 2	1,645	1,915
Tier 3	1,000	1,000
Total	**$ 8,083**	**$ 7,405**

	2024	2023
	(expressed in millions of U.S. dollars)	
Fully paid common shares	$ 15	$ 15
Preference shares	—	—
Contributed Surplus	600	579
Statutory Economic Surplus	5,524	4,760
Noncontrolling (Minority) interest	6	113
Treasury shares	(422)	(422)
Encumbered assets transferred to Tier 2 in respect of policyholder obligations	(285)	(555)
Total Tier 1 capital	$ 5,438	$ 4,491
Total Tier 2 capital	1,645	1,915
Total Tier 3 capital	1,000	1,000
Total Eligible capital	**$ 8,083**	**$ 7,405**

A description of the eligible capital categorized by tiers, in accordance with the eligible capital rules used to meet the ECR and the Minimum Margin of Solvency ("MSM") defined in accordance with section (1) of the Act, is as follows:

Tier 1 capital is all eligible capital of Enstar, except those described below.

Tier 2 capital consists of the following:

- $400 million of Series D Preferred Shares, approved by the BMA as Tier 2 basic capital on July 25, 2018;
- $110 million of Series E Preferred Shares, approved by the BMA as Tier 2 basic capital on February 1, 2019;
- $350 million of Junior Subordinated Notes due August 26, 2040, pre-approved by the BMA as Tier 2 ancillary capital on March 16, 2020;
- $500 million of Junior Subordinated Notes due January 15, 2042, pre-approved by the BMA as Tier 2 ancillary capital on December 20, 2021; and
- $285 million which is the amount in respect of the excess of encumbered assets for policy holder obligations, which is greater than the respective liabilities (December 31, 2023: $555 million).

Tier 3 capital consists of the following:

- $500 million of Senior Notes due June 1, 2029, approved by the BMA as Tier 3 ancillary capital on May 20, 2019; and
- $500 million of Senior Notes due August 24, 2031, pre-approved by the BMA as Tier 3 ancillary capital on December 21, 2020.

The following table shows the Eligible Capital of our Bermuda Operating Subsidiaries covered under this report, categorized by Tier, as of December 31, 2024 and 2023:

	Cavello Bay		Fitzwilliam		SIBL	Enhanzed Re	
	2024	2023 [1]	2024	2023	2023	2024	2023
	(expressed in millions of U.S. dollars)						
Tier 1	$ 6,454	$ 6,004	$ 13	$ 204	$ 234	$ 8	$ 8
Tier 2	666	468	—	(3)	96	—	—
Tier 3	—	—	—	—	—	—	—
Total	**$ 7,120**	**$ 6,472**	**$ 13**	**$ 201**	**$ 330**	**$ 8**	**$ 8**

[1] Cavello Bay GAAP comparatives have been restated, refer to Item 1.c for additional information. Cavello Bay EBS comparatives have not been restated.

Tier 1 capital is all eligible capital of the subsidiary, except those described below.

Tier 2 capital consists of the following:

- $300 million Letter of Credit, approved by the BMA as Tier 2 ancillary capital on December 15, 2022 for Cavello Bay; and
- $366 million which is the amount in respect of the excess of encumbered assets for policyholder obligations, which is greater (less) than the respective liabilities, for Cavello Bay, Fitzwilliam and Enhanzed Re, respectively (December 31, 2023: $168 million, $(3) million and $96 million, respectively).

	Cavello Bay		Fitzwilliam		SIBL	Enhanzed Re	
	2024	2023 [1]	2024	2023	2023	2024	2023
	(expressed in millions of U.S. dollars)						
Fully paid common shares	$ 325	$ 325	$ 1	$ 1	$ 1	$ 1	$ 1
Preference shares	—	—	—	—	—	—	—
Contributed Surplus	4,145	2,898	15	304	873	122	122
Statutory Economic Surplus	2,486	2,970	(3)	(104)	(544)	(115)	(115)
Noncontrolling (minority) interest	65	180	—	—	—	—	—
Treasury shares	(201)	(201)	—	—	—	—	—
Encumbered assets transferred to Tier 2 in respect of policyholder obligations	(366)	(168)	—	3	(96)	—	—
Total Tier 1 Capital	**$ 6,454**	**$ 6,004**	**$ 13**	**$ 204**	**$ 234**	**$ 8**	**$ 8**
Total Tier 2 Capital	666	468	—	(3)	96	—	—
Total Eligible capital	**$ 7,120**	**$ 6,472**	**$ 13**	**$ 201**	**$ 330**	**$ 8**	**$ 8**

[1] Cavello Bay GAAP comparatives have been restated, refer to Item 1.c for additional information. Cavello Bay EBS comparatives have not been restated.

iii) Eligible Capital Categorized by Tiers in accordance with the Eligible Capital Rules used to meet ECR and MSM Requirements of the Insurance Act

The following table shows the MSM and ESR for the Company categorized by Tier as at December 31, 2024:

	Minimum Margin of Solvency	Enhanced Capital Requirement
	(expressed in millions of U.S. dollars)	
Tier 1	$ 5,438	$ 5,438
Tier 2	1,360	1,645
Tier 3	—	1,000
Total	**$ 6,798**	**$ 8,083**

The following tables show the MSM and ECR for our Bermuda Operating Subsidiaries covered under this report categorized by Tier as at December 31, 2024:

	Cavello Bay		Fitzwilliam		Enhanzed Re	
	MSM	ECR	MSM	ECR	MSM	ECR
	(expressed in millions of U.S. dollars)					
Tier 1	$ 6,454	$ 6,454	$ 13	$ 13	$ 8	$ 8
Tier 2	666	666	—	—	—	—
Tier 3	—	—	—	—	—	—
Total	**$ 7,120**	**$ 7,120**	**$ 13**	**$ 13**	**$ 8**	**$ 8**

iv) Confirmation of Eligible Capital That is Subject to Transitional Arrangements as Required under Eligible Capital Rules

N/A

v) Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR

N/A

vi) Identification of Ancillary Capital Instruments Approved by the Authority

Ancillary capital instruments approved by the BMA are as follows:

- The Junior Subordinated Notes and Senior Notes were approved by the BMA as ancillary capital for Enstar.
- A $300 milion (2023: $300 million) Letter of Credit was approved as ancillary capital for Cavello Bay.

Refer to Tier 2 and Tier 3 capital for Enstar, Tier 2 capital for Cavello Bay, and Tier 2 capital for Enhanzed Re in Item 5(a)(ii) above.

vii) Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus

The following is a reconciliation of the U.S. GAAP shareholders' equity attributable to shareholders to the available statutory capital and surplus for the Company as of December 31, 2024 and 2023:

	2024	2023
	(expressed in millions of U.S. dollars)	
Shareholders' Equity per U.S. GAAP	$ 6,097	$ 5,648
Remove non-admitted prepaid expenses	(14)	(16)
Remove non-admitted goodwill and intangibles	—	(63)
Remove other non-admitted adjustments	(146)	(205)
Redeemable noncontrolling interest	—	—
Reallocate Senior Notes and Subordinated Notes to Eligible Capital	1,850	1,850
Statutory Capital and Surplus	**$ 7,787**	**$ 7,214**
General business technical provision adjustments	296	191
Long term business technical provision adjustments	—	—
Statutory Economic Capital and Surplus (EBS)	**$ 8,083**	**$ 7,405**
Encumbered assets not securing policy holder obligations	—	—
Tier 3 capital in excess of limits	—	—
Group Eligible Capital	**$ 8,083**	**$ 7,405**

The following is a reconciliation of the U.S. GAAP shareholders' equity attributable to shareholders to the available statutory capital and surplus for our Bermuda Operating Subsidiaries covered under this report as of December 31, 2024 and 2023:

	Cavello Bay		Fitzwilliam		SIBL	Enhanzed Re	
	2024	2023 [1]	2024	2023	2023	2024	2023
	(expressed in millions of U.S. dollars)						
Shareholders' Equity per U.S. GAAP	$ 6,662	$ 5,974	$ 11	$ 335	$ 345	$ 8	$ 8
Other fixed capital	300	300	—	—	—	—	—
Remove non-admitted assets	(129)	(159)	—	(2)	(7)	—	—
Statutory Capital and Surplus	**$ 6,833**	**$ 6,115**	**$ 11**	**$ 333**	**$ 338**	**$ 8**	**$ 8**
General business technical provision adjustments	975	890	6	(130)	(35)	—	—
Deferred charge asset	(687)	(529)	—	—	—	—	—
Deferred retroactive reinsurance gain	—	—	—	—	27	—	—
Deferred acquisition costs	(1)	—	—	—	—	—	—
Other adjustments	—	(4)	(4)	(2)	—	—	—
Statutory Economic Capital and Surplus (EBS)	7,120	6,472	13	201	330	8	8
Eligible capital	**$ 7,120**	**$ 6,472**	**$ 13**	**$ 201**	**$ 330**	**$ 8**	**$ 8**

[1] Cavello Bay comparatives in this table have not been restated, refer to Item 1.c for additional information.

b) Regulatory Capital Requirements

The BMA is the group supervisor of Enstar Group Limited and of the Bermuda Operating Subsidiaries. Under the Insurance Act, insurance groups are required to maintain available statutory capital and surplus to an amount that is equal to or exceeds the value of its group ECR, which is calculated at the end of its relevant year by reference to the BSCR model or an approved internal capital model provided that the group ECR shall at all times be an amount equal to or exceeding the Group Minimum Solvency Margin.

Enstar Group Limited, and its Bermuda Operating Subsidiaries, establish their ECR and MSM by reference to the BSCR model.

i) ECR and MSM Requirements at the End of the Reporting Period

	Minimum Margin of Solvency	Enhanced Capital Requirement	
	2024	2024	Ratio
	(in millions of U.S. dollars)		
Enstar	$ 1,814	$ 3,639	222 %
Cavello Bay	$ 1,350	$ 3,173	224 %
Fitzwilliam	$ 3	$ 6	207 %
Enhanzed Re	$ —	$ 1	800 %

ii) Identification of Any Non-Compliance with the MSM and the ECR

N/A, the Company was compliant with the MSM and ECR capital requirements.

iii) A Description of the Amount and Circumstances Surrounding the Non-Compliance, the Remedial Measures Taken and Their Effectiveness

N/A

iv) Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance at the End of the Reporting Period

N/A

c) Approved Internal Capital Model to derive the ECR

The company does not utilize an approved internal capital model to derive its ECR. The ECR is based on the BSCR model.

ITEM 6. SUBSEQUENT EVENTS

Atrium Syndicate 609

On January 13, 2025, one of our wholly-owned subsidiaries entered into a loss portfolio transfer agreement with Atrium Syndicate 609 ("Syndicate 609"), managed by Atrium Underwriters Limited and is a related party, to reinsure Syndicate 609's discontinued portfolios, comprising of marine treaty reinsurance, property treaty reinsurance, and U.S. contractors general liability, underwritten in the 2023 and prior years of account. Syndicate 609 will cede $196 million of net reserves and our subsidiary will provide $108 million of additional cover in excess of the ceded reserves. The closing of the transaction is subject to regulatory approval and other closing conditions.

JSOP Vesting

On January 20, 2025, the JSOP award[4] vested at a market price of $327.00 per share. As the market price exceeded the hurdle price and the performance condition based on growth in FDBVPS was met, 209,490 shares were issued to our CEO (calculated as the market price of $327.00 less $205.89, multiplied by the 565,630 shares comprising the JSOP award, divided by the market price of $327.00). Pursuant to the JSOP agreement, the remaining 356,140 shares held in the Enstar Group Limited Employee Benefit Trust were cancelled on January 20, 2025.

Debt Refinancing and Tender Offer

In March 2025, we completed the issuance and sale of $350 million in aggregate principal amount of our 7.50% Fixed-Rate Reset Junior Subordinated Notes due 2045, resulting in $345 million of proceeds, net of $5 million of debt issuance costs. We also completed a cash tender offer for a portion of our 5.75% Fixed-Rate Reset Junior Subordinated Notes due 2040 that are subject to an interest rate reset beginning September 1, 2025, at a fixed rate per annum equal to the five-year U.S. treasury rate calculated as of two business days prior to the beginning of such five-year period plus 5.468%. The aggregate principal amount tendered was $233 million and we recorded a loss on the partial extinguishment of $3 million during the first quarter of 2025, which was included within general and administrative expenses in our consolidated statement of operations. In May 2025 we repurchased a further $36 million and we recorded a loss on the partial extinguishment of less than $1 million within general and administrative expenses in our consolidated statement of operations during the second quarter of 2025. The remaining $82 million outstanding of the 5.75% Fixed-Rate Reset Junior Subordinated Notes due 2040 will be callable at 100% of par value plus accrued and unpaid interest as of September 1, 2025.

Investment Commitments

During April, we entered into three commitments, including with related parties, to invest an aggregate of $120 million into private equity and private credit funds.

[4] For additional information on the JSOP award, refer to "Joint Share Ownership Plan" within Note 22 in our consolidated financial statements.

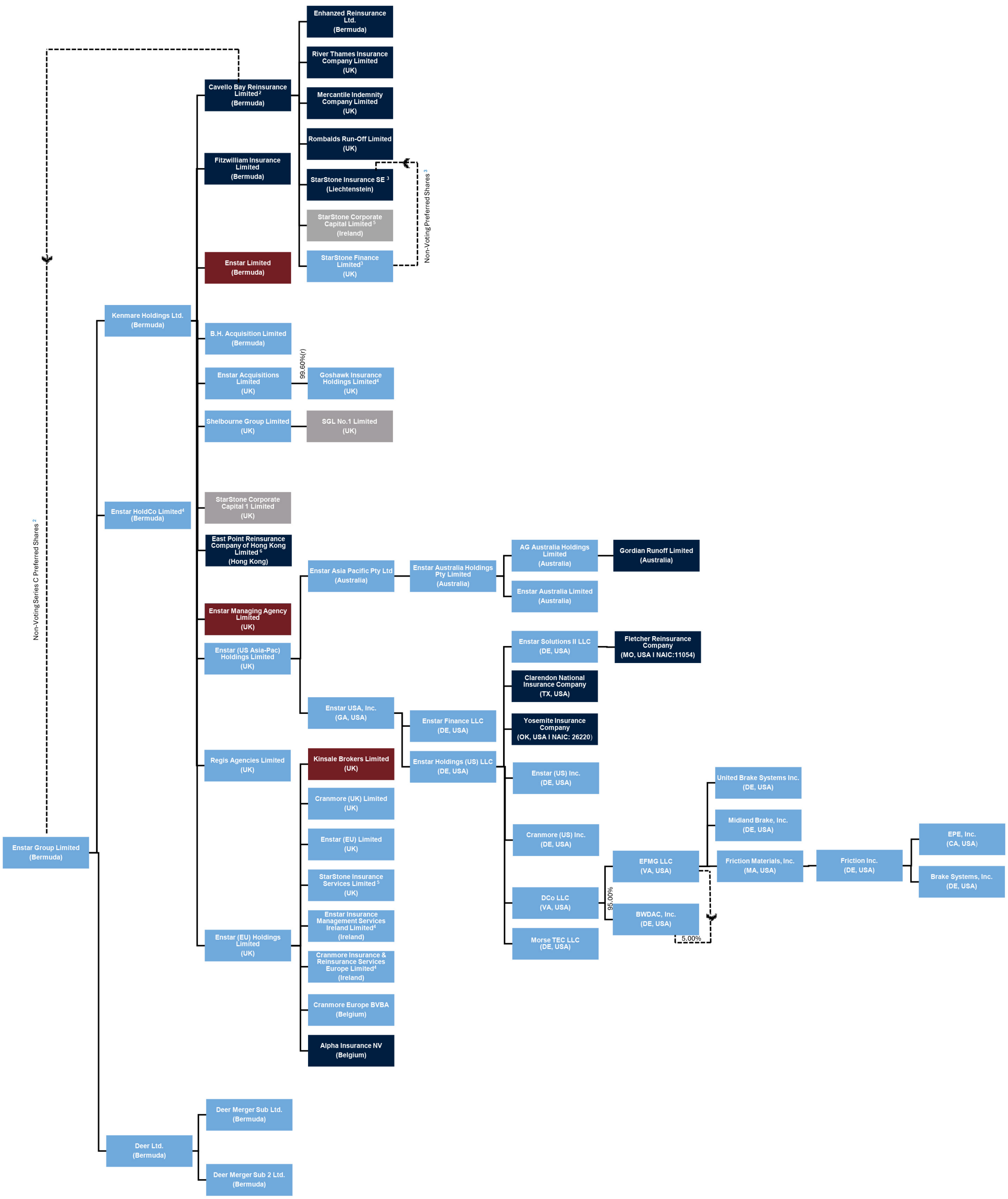
DECLARATION ON FINANCIAL CONDITION REPORT

To the best of our knowledge and belief, we the undersigned confirm that the Financial Condition Report fairly represents the financial condition of Enstar Group Limited, in all material respects:

/s/ Dominic Silvester
Enstar Group Limited, Chief Executive Officer
May 29, 2025

/s/ Chloe Paillot
Enstar Group Limited, Acting Head of Risk
May 29, 2025

Appendix I - Enstar Simplified Corporate Structure Chart as of December 31, 2024



Notes

1 This organogram is a simplified version of a larger structure chart of the Insurance Group (as such term is defined in the Insurance Act 1978) headed by Enstar Group Limited and does not represent the entirety of the Enstar group. Unless otherwise noted, each entity is wholly held by the parent before it, save for references to 'Other Non-Insurance Entities' and 'Other Insurance and Non-Insurance Entities,' which may have varying ownership structures and/or hold ownership interests in other entities. Any ownership percentages followed by '(r)' are rounded to the nearest hundredth. In the ordinary course of managing the assets in our investment portfolios, we may from time to time passively invest in equity or other security holdings of companies we do not control and/or which conduct, or do not conduct, insurance related business; such entities are not reflected in this chart or are incorporated through references to 'Other Non-Insurance Entities' and 'Other Insurance and Non-Insurance Entities.' References to 'Other Insurance and Non-Insurance Entities' include holdings in Insurance Groups (as such term is defined in the Insurance Act 1978) independently subject to group supervision by an accredited supervisory authority, and as such, are not included within the Enstar Insurance Group (as such term is defined in the Insurance Act 1978).

2 Cavello Bay Reinsurance Limited holds a minority variable non-voting economic interest in Enstar Group Limited in the form of Series C Preferred Stock.

3 StarStone Finance Limited, a non-insurance company domiciled in the United Kingdom and wholly owned by Cavello Bay Reinsurance Limited, holds a minority 26.2616% non-voting economic interest in StarStone Insurance SE in the form of non-voting Preference Stock Shares.

4 Enstar HoldCo Limited, Cranmore Insurance & Reinsurance Services Europe Limited, Enstar Insurance Management Services Ireland Limited, and Goshawk Insurance Holdings Limited are each in voluntary solvent liquidation.

5 StarStone Corporate Capital Limited is managed and controlled in Belgium.

6 East Point Reinsurance Company of Hong Kong Limited is managed and controlled in the United Kingdom.

Key

Non-Insurance Entity

Insurance / Reinsurance Entity

Other Regulated / Licensed Entity

Lloyds Corporate Member

Appendix II - Details of Subsidiary Board Membership and Senior Executive Positions

The tables below detail the membership of the Boards of Directors and Senior Executive Positions for our Bermuda Operating Subsidiaries covered under this report:

Company	Name	Board & Senior Executive Position	Enstar Role
Cavello Bay	Robert Morgan	Director, Chairman and Chief Executive Officer	Bermuda Chief Executive Officer & VP, Mergers & Acquisitions
	Dan Sanford	Director	SVP, Mergers & Acquisitions
	Elizabeth DaSilva	Director & Chief Operating Officer	Chief Operating Officer, Bermuda & Director of Group Legal Management
	Daniel Lovett	Director & Chief Risk Officer	Bermuda Chief Risk Officer
	Robin Mehta	Independent Non-Executive Director	
	Roger Thompson	Independent Non-Executive Director	
	Jennifer Miu	Chief Financial Officer	US & Bermuda Chief Financial Officer
Fitzwilliam	Robert Morgan	Director, Chairman and Chief Executive Officer	Bermuda Chief Executive Officer & VP, Mergers & Acquisitions
	Elizabeth DaSilva	Director & Chief Operating Officer	Chief Operating Officer, Bermuda & Director of Group Legal Management
	Daniel Lovett	Director & Chief Risk Officer	Bermuda Chief Risk Officer
	Robin Mehta	Independent Non-Executive Director	
	Jennifer Miu	Chief Financial Officer	US & Bermuda Chief Financial Officer
Enhanzed Re	Robert Morgan	Director, Chief Executive Officer	Bermuda CEO & VP, Mergers & Acquisitions
	Elizabeth DaSilva	Director & Chief Operating Officer	Chief Operating Officer, Bermuda & Director of Group Legal Management
	Daniel Lovett	Director & Chief Risk Officer	Bermuda Chief Risk Officer
	Jennifer Miu	Chief Financial Officer	US & Bermuda Chief Financial Officer

enstargroup.com

Enstar Group Limited, Bermuda
A.S. Cooper Building
4th Floor, 26 Reid Street
Hamilton HM 11, Bermuda

BMA Registration Number: 9001

Company telephone number: (441) 292-3645

Prepared in accordance with the reporting requirements of the Bermuda Monetary Authority.