



2019: A review of non-life insurance run-off deals

Introduction

We are pleased to share our second annual summary of publicly announced non-life run-off deals. It has been another busy year in the market, with a number of new entrants completing deals and incumbents increasing their activity levels to new highs.

2019 saw 48 deals totalling \$10.5bn of estimated gross liabilities being publicly announced. This is in comparison to the 32 deals at \$9bn estimated liabilities reported in our 2018 Annual Review. Following our 2018 publication, a number of other 2018 deals were disclosed in annual reports which ultimately increased the total deals volume to 48 deals. Undoubtedly we will see some more deals disclosed in the coming months as annual reports are released and I expect the 48 deals for 2019 to increase.

The UK and Ireland dominated deal activity in 2019 both by value and volume, driven in part, but not exclusively, by Lloyd's run-off deals. There was an increase in Continental European deals from 2018, though activity in the region still remains relatively low compared to the rest of the world. In fact, this year saw deal values (though not volumes) in the Asia Pacific region outpace Continental Europe. It will be interesting to see if the large deals in that region lead to increased activity. There is continued activity in North America, though the volume of publicly announced deals has decreased from 2018. This will be in part down to a lower number of deals being publicly announced rather than there being significantly fewer deals. In addition, more deals coming to market have more recent underwriting years and unexpired risk which has made them less straight forward to close.

We hope you find our 2019 summary of interest and look forward to tracking and providing updates on deal activity throughout 2020.



Victor Nelligan



What to look out for in 2020

Continued focus on the Lloyd's legacy market following syndicate run-off announcements and new entrants able to provide legacy solutions.

1

Completion of the first US Insurance Business Transfers under the Oklahoma legislation.

2

Further corporates utilising the legacy market in order to remove long tailed uninsured risks, from their balance sheets.

3

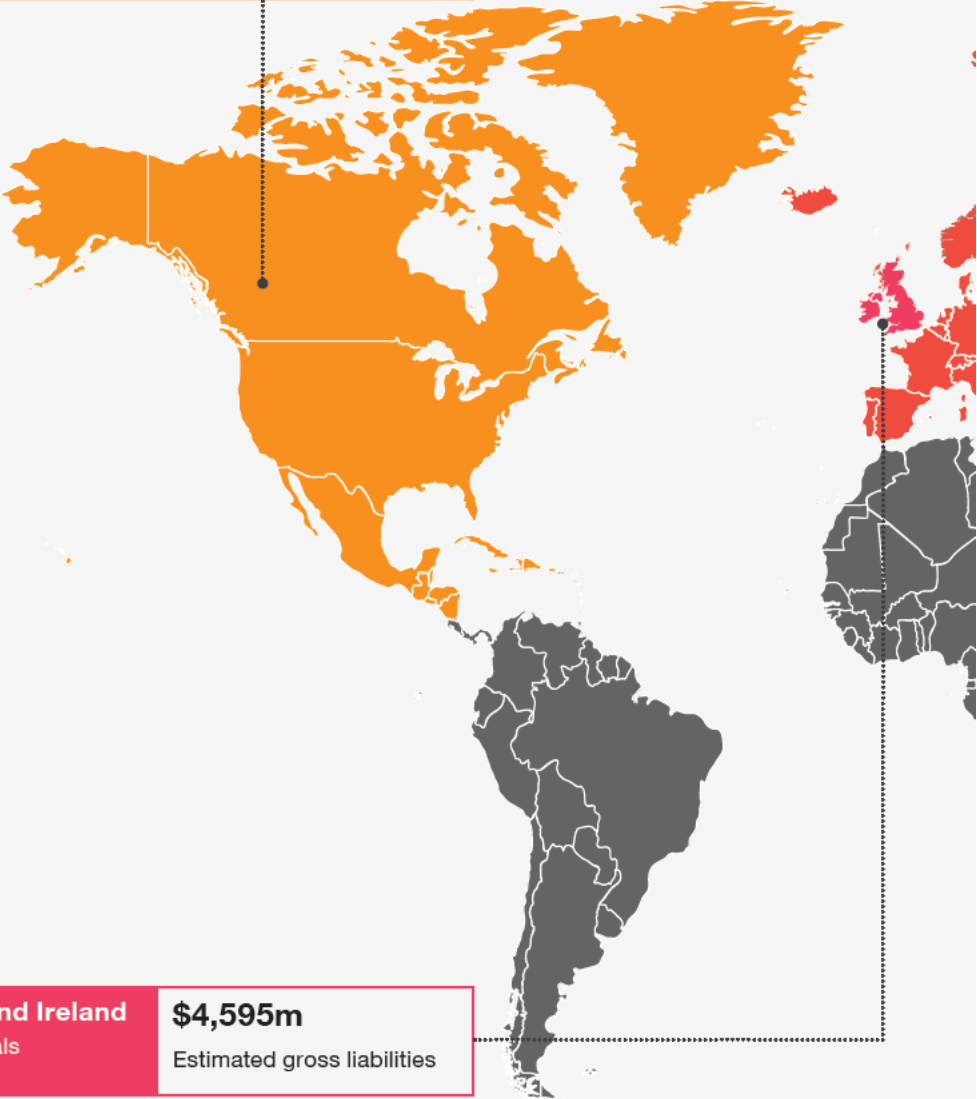
Expansion of deals outside of the traditional USA and European markets following a number of deals completed in Asia Pacific.

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2019 activity in numbers

North America
17 deals

\$3,735m
Estimated gross liabilities

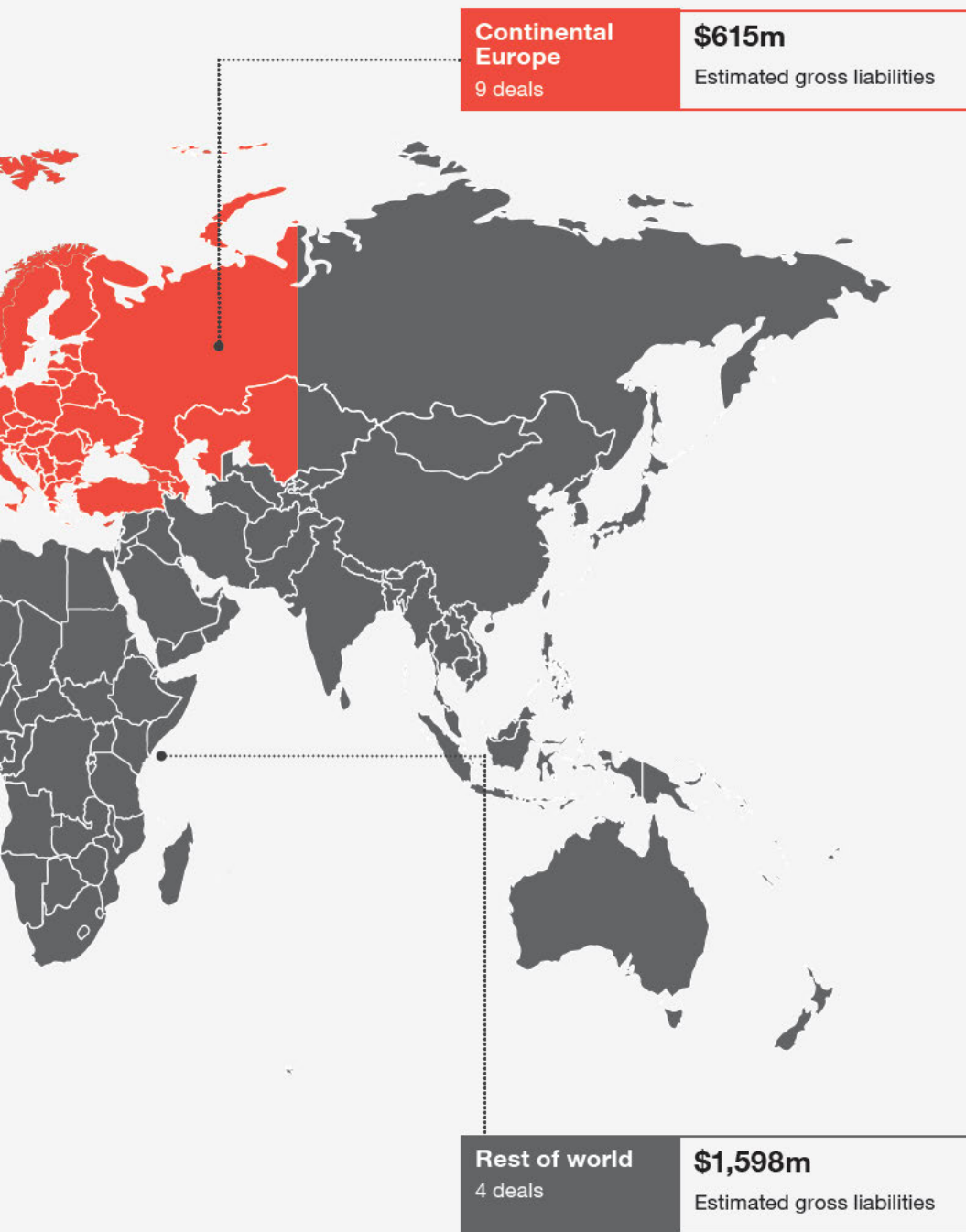


UK and Ireland
18 deals

\$4,595m
Estimated gross liabilities

Lloyd's
9 deals

\$2,383m
Estimated gross liabilities



List of deals in 2019

Acquirer Group	Target	Country of target
Riverstone	Advent Underwriting Syndicate 780	UK
Darag	Donau Versicherung AG	Austria
Armour	Undisclosed	USA
Enstar	Amtrust Financial Syndicate 1206	UK
Enstar	Amtrust Financial Syndicate 1861	UK
Enstar	Amtrust Financial Syndicate 2526	UK
Enstar	Amtrust Financial Syndicate 5820	UK
Enstar	Amerisure Mutual Insurance Company	USA
Armour	Undisclosed	Italy
Riverstone	MS Amlin Syndicate 3210	UK
Swiss Re	Hong Leong MSIG Takaful Berhad	Malaysia
R&Q	Nationale-Nederlanden Internationale Schadeverzekering SE	Netherlands
Riverstone	Brit Syndicate 2987	UK
Enstar	Zurich North America	USA
Berkshire Hathaway	The Hatford/Navigators	USA
Undisclosed	esure Group Plc	UK
Compre	Undisclosed	Switzerland
Compre	Basler Versicherung AG (Baloise)	Switzerland
Compre	Helvetia Swiss Insurance Company Ltd (Helvetia)	Switzerland
Darag	Peachtree Casualty	USA
R&Q	Sandell Holdings	Bermuda
R&Q	Northern California Regional Liability Excess Fund and Statewide Association of Community Colleges	USA
Darag	Innovative Physicians Solutions risk retention group	USA
Darag	Protector Forsikring ASA	Norway
Darag	One Re Limited	UK
Darag	The Underwriter Insurance Company Limited	UK
Darag	Sovag	Germany

Territory	Type of deal	(Re)insurer/Lloyd's/ Captive/Corporate	Date
UK and Ireland	Novation	Lloyd's	1/1/2019
Continental Europe	Insurance Business Transfer	(Re)insurer	22/1/2019
North America	Loss Portfolio Transfer	(Re)insurer	31/1/2019
UK and Ireland	RITC	Lloyd's	15/2/2019
UK and Ireland	RITC	Lloyd's	15/2/2019
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UK and Ireland	RITC	Lloyd's	15/2/2019
North America	Loss Portfolio Transfer	(Re)insurer	15/2/2019
Continental Europe	Loss Portfolio Transfer	(Re)insurer	18/2/2019
UK and Ireland	RITC	Lloyd's	20/2/2019
Rest of World	Loss Portfolio Transfer and Adverse Loss Development Retakaful Agreement	(Re)insurer	1/3/2019
Continental Europe	Share Sale	(Re)insurer	4/3/2019
UK and Ireland	Loss Portfolio Transfer	Lloyd's	8/3/2019
North America	Loss Portfolio Transfer	(Re)insurer	16/4/2019
North America	Adverse Development Cover	(Re)insurer	1/5/2019
UK and Ireland	Loss Portfolio Transfer and Adverse Development Cover	(Re)insurer	3/5/2019
Continental Europe	Insurance Business Transfer	(Re)insurer	14/6/2019
Continental Europe	Loss Portfolio Transfer followed by Insurance Business Transfer	(Re)insurer	14/6/2019
Continental Europe	Insurance Business Transfer	(Re)insurer	14/6/2019
North America	Assumption Reinsurance Agreement	(Re)insurer	25/6/2019
North America	Share Sale	(Re)insurer	1/7/2019
North America	Loss Portfolio Transfer	Captive	2/7/2019
North America	Share Sale	Captive	3/7/2019
Continental Europe	Loss Portfolio Transfer	(Re)insurer	16/7/2019
UK and Ireland	Share Sale	(Re)insurer	18/7/2019
UK and Ireland	Share Sale	(Re)insurer	22/7/2019
Continental Europe	Insurance Business Transfer	(Re)insurer	5/8/2019

List of deals in 2019

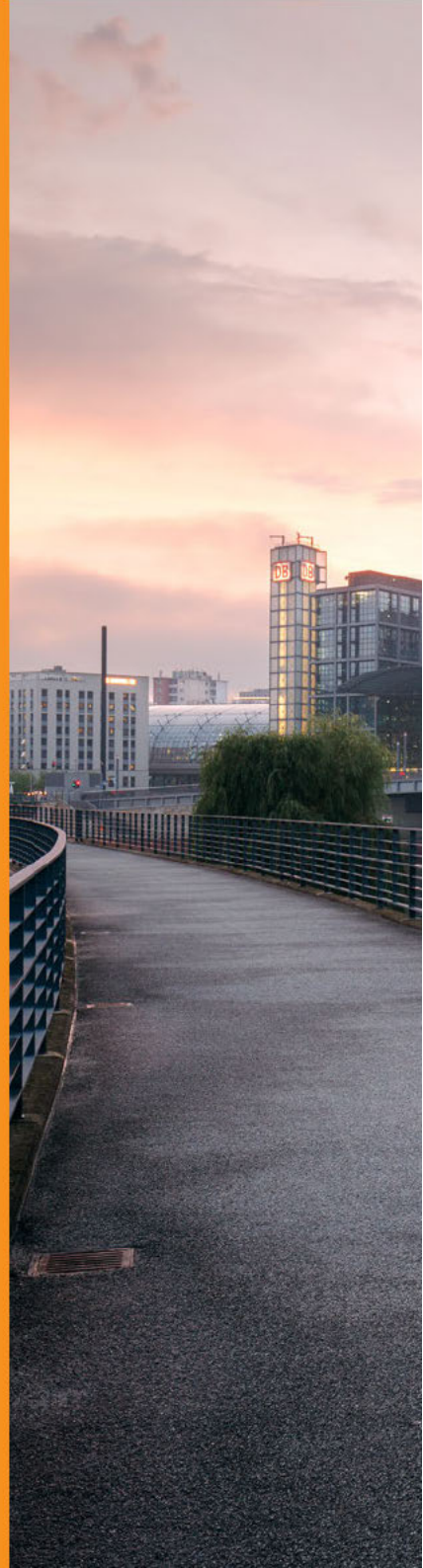
Acquirer Group	Target	Country of target
R&Q	Bermuda captive	Bermuda
R&Q	Bermudian captive of a US based airline	Bermuda
Darag	Zurich Insurance Group German Architects' and Engineers' run-off portfolio	Ireland
Darag	New Mexico P&C Insurance Company	USA
Enstar	Munich Re	Australia
Premia	Standard Club Syndicate	UK
AXA LM	Munich Re Malaysia	Malaysia
Darag	Thames Water Insurance Company Limited	Guernsey
Enstar	BorgWarner Morse TEC, LLC	USA
Riverstone	GMPCI Insurance Company, Ltd.	Cayman Islands
Riverstone	Seaside Indemnity Alliance Company, Ltd.	Cayman Islands
Berkshire Hathaway	Liberty Mutual	USA
Compre	AG Insurance inwards reinsurance book	USA
Riverstone	Channel Syndicate 2015	UK
Riverstone	ADI UK Branch reinsurance run-off business	UK
Riverstone	Ageas Insurance Limited commercial general insurance business	UK
Hampden	Guernsey Captive	Guernsey
Hampden	UK Corporate Entities of a Large Multinational Corporation	UK
Catalina	Asia Capital Reinsurance Group Pte. Ltd.	Singapore
Fleming Re Holdings LLC	AggCap Insurance, Ltd	Bermuda
R&Q	Distinguished Re Ltd.	Barbados

Territory	Type of deal	(Re)insurer/Lloyd's/ Captive/Corporate	Date
North America	Loss Portfolio Transfer	Captive	8/8/2019
North America	Loss Portfolio Transfer	Captive	22/8/2019
UK and Ireland	Loss Portfolio Transfer followed by Insurance Business Transfer	(Re)insurer	8/9/2019
North America	Share Sale	(Re)insurer	9/9/2019
Rest of World	Insurance Business Transfer	(Re)insurer	10/9/2019
UK and Ireland	Share Sale	Lloyd's	11/9/2019
Rest of World	Insurance Business Transfer	(Re)insurer	19/9/2019
UK and Ireland	Share Sale	Captive	16/10/2019
North America	Share Sale	Corporate	30/10/2019
North America	Share Sale	Captive	30/10/2019
North America	Share Sale	Captive	30/10/2019
North America	Adverse Development Cover	(Re)insurer	5/11/2019
Continental Europe	Insurance Business Transfer	(Re)insurer	7/11/2019
UK and Ireland	RITC	Lloyd's	11/11/2019
UK and Ireland	Insurance Business Transfer	(Re)insurer	29/11/2019
UK and Ireland	Insurance Business Transfer	(Re)insurer	29/11/2019
UK and Ireland	Share Sale	Captive	1/12/2019
UK and Ireland	Share Sale	Corporate	1/12/2019
Rest of World	Share Sale	(Re)insurer	5/12/2019
UK and Ireland	Share Sale	Captive	20/12/2019
North America	Share Sale	(Re)insurer	30/12/2019

About the run-off deals team

The non-life insurance run-off deals team has access to more than 200 specialists who can provide expert support throughout the deal lifecycle, including:

- Deal feasibility studies and strategic options analyses
- Transaction structuring advice
- Preparation of marketing materials and running of disposal process
- Bidder identification and deal negotiation support
- Actuarial support including deal pricing, reserving and capital optimisation
- Post-transaction separation and migration advice





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