



StarStone US confirms \$610mn Noonan/Aquiline deal

John Hewitt Jones June 11, 2020

StarStone US has agreed to a capital injection of \$610mn from a consortium of private equity

(PE) investors, led by market veteran Ed Noonan.

In a statement on Wednesday the company said it had struck a deal to receive the infusion from a group led by SkyKnight Capital, Dragoneer Investment Group, and Aquiline Capital Partners.

StarStone confirmed the fresh investment after Insurance Insider earlier revealed talks between Noonan and the carrier over a potential deal that would see major PE investors take a majority stake in the firm.

The deal will take the company's total equity capitalization to over \$850mn, which includes an additional commitment of \$20mn from management.

As part of the transaction, the company has reshaped its senior management team, with Noonan taking the post of executive chairman. AFG CFO – and Noonan's former Validus colleague – Jeff Consolino will become CEO.

As the capital infusion goes ahead, a new board of directors will be appointed at StarStone US, including representatives from the three PE houses injecting capital into the carrier.

Alongside Noonan and Consolino, Steve DeCarlo and Matthew Ebbel from SkyKnight, Marc Stad from Dragoneer and Chris Watson from Aquiline will have spots on the board. Paul O'Shea and Robert Campbell from Enstar also have seats.

As part of the deal, one of Enstar's subsidiary companies will enter into a combination loss portfolio and adverse development cover reinsurance agreement with StarStone US.

Enstar will receive a combination of cash consideration and shares in StarStone US valued at a modest premium to book value.

The recapitalization is subject to regulatory approval and is expected to close sometime in the second half of 2020.

Enstar today also announced that StarStone International has contributed its renewal rights to Atrium Underwriters Limited, which manages Lloyd's Syndicate 609. International business not assumed by Atrium will be placed into run-off.