

PRESS RELEASE**Core Specialty Announces Acquisition and Formation of Medical Stop-Loss Division**

- ***Represents Core Specialty's 13th Specialty Business Unit***
- ***Transaction expected to close in fourth quarter***
- ***Jim Stelling to serve as President, Medical Stop-Loss***

Cincinnati, OH: June 12, 2023/Globe Newswire/ – Core Specialty Insurance Holdings, Inc., and its subsidiaries (“Core Specialty” or the “Company”) announced today that it will form a Medical Stop-Loss Division through the acquisition of the MGU/Stop-Loss business of American National Group (“ANAT”). The acquisition will mark Core Specialty’s 13th Specialty Business Unit. Jim Stelling will join Core Specialty as the President of the newly formed Medical Stop-Loss Division.

Jim was most recently the Executive Vice President, Health Insurance and Specialty Markets Group Operations at American National Insurance Company (“ANICO”) and brings with him over 20 years of experience in the industry. Additionally, during his tenure at ANICO, Jim led health insurance operations and supported the stop-loss business serving as Senior Vice President, Health Insurance Operations and as Vice President of Group and Health Compliance.

The business is being acquired for cash through the acquisition of 100% of the stock of Standard Life and Accident Insurance Company (“SLAICO”) and certain reinsurance transactions. The completion of the transaction will be conditional upon obtaining the required regulatory approvals and is expected to close in the fourth quarter of 2023. The Medical Stop-Loss Division will maintain its presence in League City, Texas after the closing. Core Specialty expects the transaction to be accretive to its earnings per share and return on equity in 2024.

The ANAT MGU/Stop-Loss business produced over \$300 million of gross premium income in 2022. The business is distributed by Managing General Underwriters and cedes or retrocedes the majority of the premium and risk associated with the programs underwritten. Stop-loss coverage is used by employers to limit their exposure under self-insured medical plans. Specific stop-loss provides coverage when claims for an individual reach a threshold; after the threshold is reached, the policy reimburses claims paid by the employer up to a coverage limit for each individual. Aggregate stop-loss reimburses the employer once the group’s total paid claims reach a threshold.

Jeff Consolino, Core Specialty’s Founder, President and Chief Executive Officer, said, “We are delighted that Medical Stop-Loss will become our 13th Specialty Business Unit. This is a sizable and growing market, with over \$26 billion in total premium income which has grown at over a 12% annual rate since 2014 according to AM Best market data. Medical Stop-Loss is an attractive class of business to us due to its specialty nature, the fact that it does not correlate with our other specialty classes of business, the ability to generate appropriate underwriting profits and the resultant attractive return on capital. Together with our Fronted Programs Division, Core Specialty would have over \$750 million of gross premium income and over \$40

million in fee income from these two business units based on full year 2022 results. We look forward to working with Jim Stelling and his team, their specialized Managing General Underwriters and their existing reinsurance panel.”

Core Specialty is being advised by J.P. Morgan as financial advisor and Mayer Brown as transaction counsel. ANAT is being advised by Raymond James and Skadden, Arps, Slate, Meagher & Flom LLP as transaction counsel.

About Core Specialty

Core Specialty offers a diversified range of property and casualty insurance products for small to midsized businesses. From its underwriting offices spanning the U.S., the Company focuses on niche markets, local distribution, and superior underwriting knowledge; offering traditional as well as innovative insurance solutions to meet the needs of its customers and brokers. Core Specialty is an insurance holding company operating through StarStone Specialty Insurance Company, a U.S. excess & surplus lines insurer, and StarStone National Insurance Company, Lancer Insurance Company, and Lancer Insurance Company of New Jersey, each of which is a U.S. admitted markets insurer. All Core Specialty Insurance entities are AM Best rated A- (Excellent); the Starstone companies are Financial Size Category XII and the Lancer entities are Financial Size Category VIII. For further information about Core Specialty, please visit www.corespecialty.com.

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