

PRESS RELEASE

Core Specialty Completes Acquisition to form Medical Stop-Loss Division

- ***Represents Core Specialty's 14th Specialty Business Unit***
- ***Furtheres Core Specialty's momentum in building a leading specialty insurance company***
- ***Jim Stelling joins Core Specialty as President, Medical Stop-Loss***

Cincinnati, OH: December 1, 2023/Globe Newswire/ – Core Specialty Insurance Holdings, Inc. and its subsidiaries (“Core Specialty” or the “Company”) announced today the completion of the acquisition of the MGU/Stop-Loss business of American National Group (“ANAT”), which was previously announced on June 12, 2023. The acquisition marks Core Specialty’s 14th Specialty Business Unit. Jim Stelling has joined the company as President of the new Medical Stop-Loss Division, which is maintaining its presence in League City, Texas.

The business was acquired for cash through the acquisition of 100% of the stock of Standard Life and Accident Insurance Company (“SLAICO”) and certain reinsurance transactions. The transaction is expected to be accretive to Core Specialty’s earnings per share and return on equity in 2024. Together with the Fronted Casualty 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. ANAT will continue to administer excluded business reinsured by ANAT out of SLAICO which consists of certain life, annuity, and health insurance policies.

SLAICO and Core Specialty are working together to ensure all policyholders continue to receive industry-leading products and services, and to align the combined operations in the best interests of customers, agents, brokers, and employees. Core Specialty operates through a business unit philosophy that allows its Divisions local decision-making for underwriting and claims with a high degree of autonomy and full accountability.

Jeff Consolino, Core Specialty’s Founder, President, and Chief Executive Officer, said, “Core Specialty’s vision is to become the leading specialty insurer and finalizing this transaction is another step in the direction of that mission. The medical stop-loss market 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. We look forward to having Jim Stelling join Core Specialty and working with his team.”

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, the Lancer entities are Financial Size Category VIII. For further information about Core Specialty, please visit www.corespecialty.com.

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