

LIBERTY MUTUAL INSURANCE ANNOUNCES AGREEMENT TO ACQUIRE THE DOMESTIC AND INTERNATIONAL SURETY AND CREDIT REINSURANCE OPERATIONS OF AMTRUST

Agreement Supports Liberty Mutual's Goal of Becoming a Top 3 Global Commercial (re)insurer

Liberty Mutual Insurance announced today it has signed a definitive agreement to acquire the global surety and credit reinsurance operations of AmTrust Financial Services, Inc. (AmTrust), a multinational property and casualty insurer specializing in coverage for small to midsized businesses.

Upon closing, Liberty Mutual will acquire four AmTrust businesses:

- *AmTrust Surety*, previously managed by Insko Dico, which provides contract, commercial, and subdivision bonds primarily in the Western U.S.
- *AmTrust Insurance Spain* which offers surety bonds in Spain and Latin America.
- *Nationale Borg* which provides surety, worker disability, and home purchase bonds in the Netherlands and Belgium.
- *Nationale Borg Reinsurance* (NBRe), a global provider of surety, trade credit and political risk reinsurance.

The AmTrust Surety portion of the acquisition is expected to close in Q2 of 2019, and the AmTrust Insurance Spain, Nationale Borg, and NBRe portion is expected to close in the second half of 2019, subject to regulatory approvals and customary closing conditions. Terms of the deal were not disclosed.

"The transaction will further enhance our strong global surety and reinsurance expertise, market leadership, and geographic footprint," notes Dennis Langwell, President, Global Risk Solutions, Liberty Mutual, which offers a broad range of primary, excess, specialty, and reinsurance products in the U.S. and globally. "Once the transaction closes, we'll integrate the acquired operations into our current structure."

The agreement reinforces Liberty Mutual's global surety market position. "We believe this transaction will strengthen our best-in-class operation, allowing us to better serve our valued agents, brokers, and customers," notes Tim Mikolajewski, President, Global Surety. "The added scale and key talent aligns well with our model and goals in the U.S., and will provide a platform for broader global development through AmTrust Insurance Spain, Nationale Borg, and Nationale Borg Reinsurance."

The agreement is an important step in the AmTrust Forward strategic plan to position the company for long-term success. "Earlier this year, we announced our plan to become a leading specialty commercial P&C insurer by focusing on local markets and niche products where we can add significant value," said Barry Zyskind, Chairman and CEO of AmTrust. "The agreement with Liberty Mutual enables us to focus our resources in areas where we can differentiate ourselves through the value we bring to distribution partners and buyers."

Skadden, Arps, Slate, Meagher & Flom LLP acted as legal advisor to Liberty Mutual Insurance in the transaction.

Bank of America Merrill Lynch served as financial advisor to AmTrust in connection with the transaction, and Debevoise & Plimpton LLP was legal counsel.

About Liberty Mutual Insurance

Liberty Mutual's purpose is to help people embrace today and confidently pursue tomorrow. The promise we make to our customers throughout the world is to provide protection for the unexpected, delivered with care.

In business since 1912, and headquartered in Boston, Massachusetts, today we are the fifth largest global property and casualty insurer based on 2017 gross written premium. We also rank 68th on the

Fortune 100 list of largest corporations in the U.S. based on 2017 revenue. As of Dec. 31, 2018, we had \$41.6 billion in annual consolidated revenue.

We employ nearly 50,000 people in 30 countries and economies around the world. We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty lines, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety, and commercial property.

You can learn more about us by visiting www.libertymutualinsurance.com.

About AmTrust Financial Services, Inc.

AmTrust Financial Services, Inc., a multinational insurance holding company headquartered in New York, offers specialty property and casualty insurance products, including workers' compensation, commercial automobile, general liability and extended service and warranty coverage through its primary insurance subsidiaries rated "A-" (Excellent) by A.M. Best.

AmTrust is included in the Fortune 500 list of largest companies. For more information about AmTrust visit www.amtrustfinancial.com.