



NEWS RELEASE

Arch Relaunches Watford Re as Somers Re

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Rebrand completes strategic repositioning.

PEMBROKE, Bermuda--(BUSINESS WIRE)-- Arch Capital Group Ltd. [NASDAQ: ACGL], alongside investment partners Warburg Pincus and Kelso & Company (Kelso), today announced that Watford Holdings Ltd. and Watford Re Ltd. have been renamed Somers Group Holdings Ltd. (Somers Group) and Somers Re Ltd. (Somers Re), respectively. Headquartered in Bermuda, the name Somers Re is a nod to Sir George Somers, who founded Bermuda in 1609.

The name change is part of a strategic repositioning for Somers Re as it builds on the Watford platform that was originally established in 2014 as a total return reinsurer. Operating as Somers Re, the firm will follow a more traditional reinsurance business model, leveraging Arch's underwriting expertise while pursuing a more conservative investment strategy.

As an important step toward this objective, Somers Re is pleased to announce that its new strategy and financial backing have resulted in AM Best affirming a Financial Strength Rating of A- stable.

Another important element of the reorganization of Somers Re is a change in leadership. Liz Cunningham has been appointed CEO of Somers Re. Cunningham is an actuary who has previously served as the Chief Risk Officer for Watford Re and boasts nearly 20 years of experience in insurance and risk management. Additionally, Sioned Butler has been appointed Chief Financial Officer of Somers Re. Butler most recently served as controller for Watford Re and has over 15 years of finance experience, including serving as an auditor at KPMG.

Earlier this year, the company closed its acquisition of France-based insurance company Axeria IARD. Axeria is an

established insurer in the French market and adds additional capabilities to Somers' suite of insurance products and managing general agencies (MGA) strategy.

"After seven years operating under the Watford name, reestablishing the company as Somers Re marks a new chapter for the franchise," said Maamoun Rajeh, Chairman and CEO of Arch's Worldwide Reinsurance Group and a member of the Board of Somers Holdings. "Liz and Sioned bring fresh perspectives and strong leadership to the company, while maintaining institutional knowledge and continuity from their time in Watford. I am also pleased to remain engaged with our long-term partner, Highbridge Principal Strategies, as our primary investment manager."

Cunningham stated, "I am looking forward to continuing the work with our founding sponsor Arch and welcoming the new Warburg Pincus and Kelso board members to Somers Re. We are taking the best parts of Watford and adding new strategies and capabilities."

Michael Thompson, Managing Director at Warburg Pincus, added, "We are pleased to be able to partner with Arch to deliver performance for Somers Re policyholders and trading partners. The overall Somers Group platform — with insurance and reinsurance capabilities in Bermuda, U.S. and Europe — has a unique value proposition and is well positioned to deliver bespoke solutions and meaningful capacity to our clients around the world."

Steve Dutton, Partner at Kelso, said, "I've been very impressed with the team's ability to recognize an opportunity and then reimagine an entire business model to position the company to thrive in the coming years. We believe that Somers Re is uniquely qualified to augment its position with its clients and counterparties and look forward to leveraging our expertise and capabilities to support the firm in this next chapter."

The insurance operations of Somers Group Holdings Ltd. will continue to operate under their existing names. Watford Specialty Insurance Company and Watford Insurance Company will serve U.S.-based customers, Watford Insurance Company (Europe) Limited will serve UK-based customers and Axeria IARD will provide capacity to clients across continental Europe.

About Somers Group Holdings Ltd.

Somers Group Holdings Ltd. is a privately held, global specialty property and casualty insurance and reinsurance company headquartered in Bermuda that is owned by Arch Capital Group Ltd., Kelso & Company and Warburg Pincus. Somers Re Ltd., the group's flagship reinsurer, is focused on delivering flexible, creative solutions to clients worldwide. U.S. clients are served by Watford Specialty Insurance Company and Watford Insurance company. UK business is underwritten by Watford Insurance Company Limited. Europe/EU-based business is underwritten by Axeria IARD. For more information, please visit www.somersgroup.com.

About Arch Capital Group Ltd.

Arch Capital Group Ltd., a publicly listed Bermuda exempted company with approximately \$16.1 billion in capital at Sept. 30, 2021, provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries.

About Warburg Pincus LLC

Warburg Pincus LLC is a leading global growth investor. The firm has more than \$67 billion in private equity assets under management. The firm's active portfolio of more than 215 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 20 private equity funds, which have invested more than \$97 billion in over 960 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information please visit www.warburgpincus.com

About Kelso & Company

Kelso is one of the oldest and most established firms specializing in private equity investing. Since 1980, Kelso has invested approximately \$15 billion of equity capital in over 130 transactions. Kelso was founded by the inventor of the Employee Stock Ownership Plan ("ESOP") and, as a result, the principles of partnership and alignment of interest serve as the foundation of the firm's investment philosophy. Kelso benefits from a successful investment track record, deep sector expertise, a long-tenured investing team, and a reputation as a preferred partner to management teams and corporates. Kelso has significant experience investing in financial services, having deployed approximately \$3 billion of equity capital in the sector. For more information, please visit www.kelso.com.

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