ENSTAR

ENSTAR Australia Limited

27 August 2025

General Manager, Policy
Policy and Advice
Australian Prudential Regulation Authority

By email: PolicyDevelopment@apra.gov.au

Dear Sir/Madam

Consultation: Minor updates to the Prudential Framework

Thank you for the opportunity to respond to the proposals set out in APRA's consultation on *Minor updates to the Prudential Framework, published 25th August 2025.*

Background

The Enstar Group Limited (**Enstar**) is a Bermuda-domiciled company specialising in the acquisition and management of global insurance run-off policies and legacy risk. Enstar has undertaken in excess of 120 transactions since its formation, to become the industry's largest stand-alone consolidator of retrospective risk globally.

In Australia, Enstar operates through Enstar Australia Ltd (**Enstar Australia**) a service company which manages, amongst others, Gordian RunOff Limited (**Gordian**), a wholly owned subsidiary of Enstar. Gordian is authorised as a general insurer by the Australian Prudential Regulation Authority (**APRA**) to conduct run-off business in Australia. Enstar has operated in Australia since its acquisition of Gordian in 2008, at the time Gordian was and remains to this day, Australia's largest solvent run-off general insurer.

Enstar has continued to run-off Gordian's policy obligations in addition to utilising Gordian as a vehicle for executing its acquisition strategy in Australia. Since 2008, Gordian has acquired 16 general insurance portfolios in run-off from other Australian regulated general insurers by way of schemes pursuant to the Insurance Act, Part III, Division 3A (**Schemes**). As a result, 11 general insurance licence revocations were possible. Enstar Australia has manged these acquisitions on Gordian's behalf.

Additionally, Enstar through one of its overseas subsidiaries, namely Cavello Bay Reinsurance Ltd (**Cavello Bay**), has provided Australian insurers with reinsurance products such as Loss Portfolio Transfers (**LPT**) and Adverse Development Covers (**ADC**).

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Cavello Bay is a reinsurer domiciled in Bermuda, with an S&P Insurer Financial Strength rating of 'A' and total assets of US$16.5 billion as at 30 June 2025. Where relevant, Enstar Australia assists with Enstar's management of the aforementioned reinsurance.

Consultation

Enstar Australia thanks APRA for seeking to make improvements to its prudential framework. Regarding GPS 410 'Transfer and Amalgamation of Insurance Business for General Insurers' having undertaken more Schemes than any other general insurer in the Australian market, we welcome APRA's proposed amendments.

Removing the requirement for physical scheme documents for transfers of business to be made available for public inspection at an approved inspection office and instead aligning the requirement with recent court practices of requiring scheme documents to be accessible on each insurer's website, is a welcomed change.

Enstar supports this proposal. The change would streamline the process, improve efficiency and eliminate the need to provide an inspection office, often in each Australian State and Territory. This can be a costly process with added delays. We are pleased with APRA's proposed alignment with the contemporary practice on this matter.

Yours faithfully

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Chief Executive Officer