July 6, 2017

AmTrust Financial Services, Inc. Partners with Premia Holdings Ltd. on Reinsurance Agreement

Agreement covers loss development of up to $400 million in excess of stated reserves as of March 31, 2017, increasing certainty around AmTrust's net reserve position
Agreement consistent with commitment to strong and stable long-term financial performance
AmTrust maintains control of claims handling and continues focus on customer care

NEW YORK, July 06, 2017 (GLOBE NEWSWIRE) -- **AmTrust Financial Services, Inc.** (Nasdaq:AFSI) **(the "Company" or "AmTrust")** announced today that it has entered into an agreement (the "agreement"), effective June 30, 2017, for a loss development cover with Premia Reinsurance Ltd., a subsidiary of Premia Holdings Ltd. (the "Reinsurer" or "Premia"), a Bermuda reinsurer group whose majority shareholders are Arch Capital Group Limited (Nasdaq:ACGL) and private equity firm Kelso & Company. The agreement provides up to $400 million of reinsurance for adverse net loss reserve development in excess of AmTrust's stated net loss reserves as of March 31, 2017, of approximately $6.59 billion, and covers AmTrust's exposures through April 1, 2017.

"By entering into a reinsurance agreement, we are providing confidence to all of our stakeholders that we are well insulated from any potential reserve volatility in the future," said Barry Zyskind, Chairman and Chief Executive Officer, AmTrust. "We are committed to acting in the long-term interests of the Company and our shareholders, supporting opportunities for growth and success across our global operations and continuing to be a strong, stable partner for our brokers, agents, and policyholders."

The agreement provides up to $1.025 billion of coverage for adverse net loss reserve development, attaching when losses exceed approximately $5.96 billion of net loss reserves and extending $400 million in coverage in excess of the carried loss reserves of approximately $6.59 billion up to approximately $6.99 billion. The consideration for this agreement is a payment of approximately $675 million, of which $50 million represents a premium payment for the coverage above the carried loss reserves of approximately $6.59 billion. AmTrust will also accrue an expense liability of approximately $11 million, the present value of a $1 million annual administration monitoring fee for 30 years.

The agreement, which will be accounted for in AmTrust's second quarter 2017 financial statements as a retroactive reinsurance agreement, will result in a one-time, non-operating pre-tax charge to net income of approximately $61 million. On an after-tax basis, the charge will be approximately $39 million, or $0.22 per common share, based on weighted average common shares outstanding of approximately 181 million in the second quarter ended June 30, 2017.

The consideration paid to Premia will be placed into a collateral trust account as security for Premia's claim payment obligations to AmTrust. Ceded reserves will be collateralized by the premium payment and all investment income will inure to the benefit of the collateral trust account. Premia will deposit an incremental $100 million of excess collateral at inception and will also deposit incremental collateral in accordance with a pre-agreed schedule.

AmTrust will retain sole authority to handle and resolve claims, continuing its commitment to customer care, and Premia has various access, association and consultation rights.

"This agreement supports our goal of reducing exposure to volatility and creating more certainty and confidence in our future financial performance," said Adam Karkowsky, Executive Vice President and Chief Financial Officer, AmTrust. "We are taking a thoughtful, conservative approach to the ongoing management of our balance sheet, consistent with that of property and casualty insurance providers of our size, scale and capacity."

About AmTrust Financial Services, Inc.

AmTrust Financial Services, Inc., a multinational insurance holding company headquartered in New York City, 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.amtrustgroup.com.

Forward-Looking Statements

This news release contains certain forward-looking statements that are intended to be covered by the safe harbors created by the Private Securities Litigation Reform Act of 1995. When we use words such as "anticipate," "intend," "plan," "believe," "estimate," "expect," or similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include the plans and objectives of management for future operations, including those relating to future growth of our business activities and availability of funds, projections of the impact of potential errors or misstatements in our financial statements, and estimates of the impact of material weaknesses in our internal control over financial reporting, and are based on current expectations that involve assumptions that are difficult or impossible to predict accurately and many of which are beyond our control. Actual results may differ materially from those expressed or implied in these statements as a result of significant risks and uncertainties, including, but not limited to, non-receipt of expected payments from insureds or reinsurers, changes in interest rates, a downgrade in the financial strength ratings of our insurance subsidiaries, the effect of the performance of financial markets on our investment portfolio, the amounts, timing and prices of any share repurchases made by us under our share repurchase program, development of claims and the effect on loss reserves, accuracy in projecting loss reserves, the cost and availability of reinsurance coverage, the effects of emerging claim and coverage issues, changes in the demand for our products, our degree of success in integrating acquired businesses, the effect of general economic conditions, state and federal legislation, regulations and regulatory investigations into industry practices, the impact of known or potential errors or misstatements in our financial statements, our ability to timely and effectively remediate the material weaknesses in our internal control over financial reporting and implement effective internal control over financial reporting and disclosure controls and procedures in the future, risks associated with conducting business outside the United States, the impact of Brexit, developments relating to existing agreements, disruptions to our business relationships with Maiden Holdings, Ltd. or National General Holdings Corp., breaches in data security or other disruptions with our technology, heightened competition, changes in pricing environments, and changes in asset valuations. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those projected, is contained in our filings with the SEC, including our Annual Report on Form 10-K and our quarterly reports on Form 10-Q. The projections and statements in this news release speak only as of the date of this release and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

For more information, please contact:

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