



Privilege Underwriters, Inc., Holding Company for PURE Group of Insurance Companies, to Undertake Equity Recapitalization with Investments from Stone Point Capital & KKR

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Privilege Underwriters, Inc. (Privilege), the holding company for the PURE Group of Insurance Companies, including the member-owned Privilege Underwriters Reciprocal Exchange (PURE), today announced that it signed a definitive agreement to recapitalize with equity investments from funds managed by Stone Point Capital, KKR and the management team. Financial terms of the transaction were not disclosed.

The PURE Group of Insurance Companies provide personal insurance and risk management services to high net worth individuals and families. The company was formed in 2006 by Ross Buchmueller, Martin Hartley and Jeff Paraschac in partnership with Stone Point Capital. PURE's unique service model has resulted in 96% member retention and an industry-leading Net Promoter Score, while also enabling the company to grow rapidly, with current premium volume in excess of \$400 million. As part of the transaction, funds managed by Stone Point Capital will maintain a majority stake in Privilege, while KKR will acquire a minority stake.

"Over the past nine years, Stone Point Capital has been an ideal partner - engaged and supportive. I am thrilled to have the opportunity to continue our relationship into a second decade," said Ross Buchmueller, President and Chief Executive Officer of the PURE Group. "I'm also excited to work with KKR. With their deep expertise in the insurance business, they will certainly contribute to making us an even better company."

"It has been exciting to be a part of helping Ross and his team build the PURE Group from a start-up concept to a leading insurer in the high net worth market," said, Chuck Davis, CEO of Stone Point Capital. "My colleagues and I are honored to continue this partnership and we are also proud to be PURE members."

"We have been incredibly impressed with PURE's membership model and believe they are already the service leader in the high net worth segment", said Tagar Olson, Member and Head of Financial Services at KKR. "We are thrilled to partner with them as they further innovate, enhance the member experience and continue their market leadership."

The agreement is subject to customary closing conditions, including receipt of regulatory approvals, and is expected to close in the third quarter.

Skadden, Arps, Slate, Meagher & Flom LLP provided legal counsel to Privilege Underwriters and Simpson Thacher & Barlett LLP provided legal counsel to KKR.

About Privilege and PURE

Privilege Underwriters, Inc. (Privilege), was founded in 2006 and provides the management resources and capital that enabled PURE's creation and early success. Privilege was initially capitalized through investments from management and Trident III, a private equity fund managed by Stone Point Capital, a preeminent investor in the insurance industry.

Privilege Underwriters Reciprocal Exchange (PURE) is a policyholder-owned insurer dedicated to creating an exceptional experience for responsible high net worth individuals and families. PURE provides best-in-class, customizable coverage throughout the U.S. for high-value homes, automobiles, jewelry, art, personal liability, watercraft and flood. Inspired by some of the finest policyholder-owned companies in the world, PURE emphasizes alignment of interests and transparency. PURE's low cost of capital, careful member selection, and proactive risk management all contribute to highly competitive rates. For additional information about PURE, visit <http://www.pureinsurance.com>.

In return for a fee, PURE Risk Management, LLC, a for-profit subsidiary of Privilege, acts as Attorney-in-Fact for PURE. Privilege has no ownership stake in PURE.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at <http://www.kkr.com>.

About Stone Point Capital LLC

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, CT. The firm has raised six private equity funds - the Trident Funds - with aggregate committed capital of approximately \$13 billion. In addition to the capital invested by the Trident Funds, Stone

Point has secured approximately \$7 billion of equity co-investments since 2001. Stone Point targets investments in the global financial services industry, including investments in companies that provide outsourced services to financial institutions, banks and depository institutions, asset management firms, insurance and reinsurance companies, insurance distribution and other insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies. For further information about Stone Point Capital, see <http://www.stonepoint.com>.

Read the full story at <http://www.prweb.com/releases/2015/06/prweb12797016.htm>

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