

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): June 19, 2012**

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**Enstar Group Limited**

**(Exact name of registrant as specified in its charter)**

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**Bermuda**  
(State or other jurisdiction  
of incorporation)

**001-33289**  
(Commission  
File Number)

**N/A**  
(IRS Employer  
Identification No.)

**P.O. Box HM 2267, Windsor Place, 3<sup>rd</sup> Floor**  
**18 Queen Street, Hamilton HM JX Bermuda**  
(Address of principal executive offices)

**N/A**  
(Zip Code)

**Registrant's telephone number, including area code: (441) 292-3645**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01. Regulation FD Disclosure.**

At an investor meeting June 19, 2012, scheduled to begin at 12:30 p.m. in New York City, Enstar Group Limited's (the "Company's") Chairman of the Board, Chief Executive Officer, Chief Financial Officer, and Joint Chief Operating Officers are presenting the slides filed as Exhibit 99.1 hereto. A copy of the slides is also available on the Company's website by visiting <http://www.enstargroup.com/Library> and clicking on "*Enstar Investor Presentation*."

The slides are being furnished for, and posted on the Company's website in connection with, the presentation. The slides are being furnished pursuant to Item 7.01, and the information contained in Exhibit 99.1 shall not be deemed to be incorporated by reference into the Company's filings under the Securities Act of 1933.

*This Current Report on Form 8-K (including the Exhibit hereto) contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of the Company and its management team. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Important risk factors regarding the Company may be found under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, which are incorporated herein by reference and which are available for free through EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov) (also accessible through the Company's website at <http://www.enstargroup.com/Financial-Information>). Furthermore, the Company undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.*

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Enstar Group Limited Slide Presentation, dated June 19, 2012.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENSTAR GROUP LIMITED

Date: June 19, 2012

By: /s/ Richard J. Harris  
Richard J. Harris  
Chief Financial Officer

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**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Enstar Group Limited Slide Presentation, dated June 19, 2012.



Realising value

# Enstar Investor Presentation

Grand Hyatt, New York, NY

June 19, 2012



[www.enstargroup.com](http://www.enstargroup.com)



## Disclaimer

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- > This presentation includes certain forward-looking statements regarding our views with respect to our business, operations, loss reserves, investment portfolio, economic model, and our expected performance for future periods, as well as the run-off market and industry conditions. These statements are intended as “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those set forth in the forward-looking statements.
- > Forward-looking statements involve significant risks and uncertainties, including risks of changing market conditions in the overall economy and the industry, the success of implementing our strategies, the adequacy of our loss reserves, the regulatory environment, current and future litigation, the success of new acquisitions, competitive pressures, loss of key personnel, our liquidity and other factors detailed in our Annual Report on Form 10-K and our other reports filed from time to time with the Securities and Exchange Commission (“SEC”).
- > If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you see or hear during the presentation reflects Enstar Group Limited’s current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made.
- > For more complete information about Enstar Group Limited, you should read our reports filed with the SEC. You may get these documents for free through EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov), which you may also access through our website at <http://www.enstargroup.com/Financial-Information>.

## Today's Agenda

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- I. Company overview & recent highlights
- II. Enstar's economic model
  - > Acquisition process
  - > Reserve savings
  - > Investments
- III. Financial historical data
- IV. Closing remarks / Q&A



## Company overview & recent highlights

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- > **Founded in Bermuda in 1993 by members of current management team**
  - > Holding company formed in 2001
  - > Public company January 31, 2007
- > **Headquartered in Bermuda with 11 offices in 9 countries and 400+ employees**
- > **Largest stand alone run-off company**
- > **Strong value proposition for vendors**
  - > **Sale, or reinsurance, of run-off liabilities enables sellers to free up committed capital, reduce expenses and provide certainty and finality for non-core legacy liabilities**
- > **Primary objective is to compound net book value per share over time**
  - > By growth in net earnings and re-investing in acquisitions
  - > Over \$600 million net earnings since becoming a public company in January 2007 (all of which have been re-invested in the business)



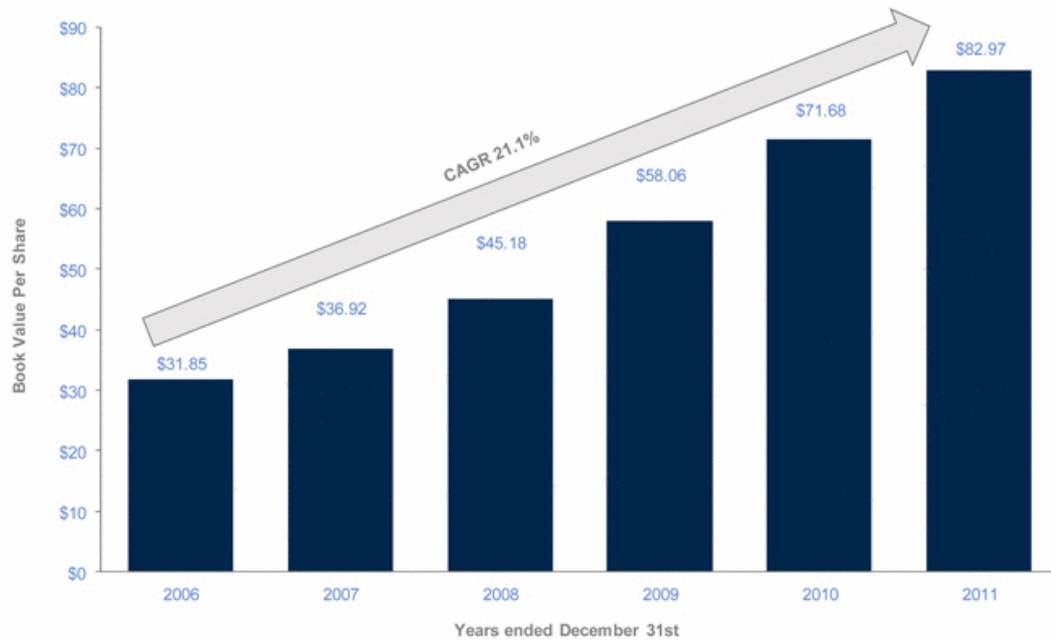
## Company overview & recent highlights (cont'd)

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- > **Liability management is greatest source of Enstar's value creation**
  - > Gross loss reserves at March 31, 2012 amounted to \$4.1 billion
- > **Acquired 35 companies and 17 portfolios of business in run-off to date**
  - > Interest in Lloyd's run-off managing agent now 100% Enstar
- > **Completed largest acquisition to date in 2011 - Clarendon**
  - > Total acquired assets of \$1.9 billion and gross loss reserves of \$1.6 billion
  - > Bringing total assets (at March 31, 2012) to \$6.5 billion
- > **Acquisitions and earnings to date have resulted in a successful track record of compounding book value at 21.1% over the last 5 years (per share fully diluted CAGR)**



## Growth in Fully Diluted Book Value Per Share December 31, 2006 – December 31, 2011

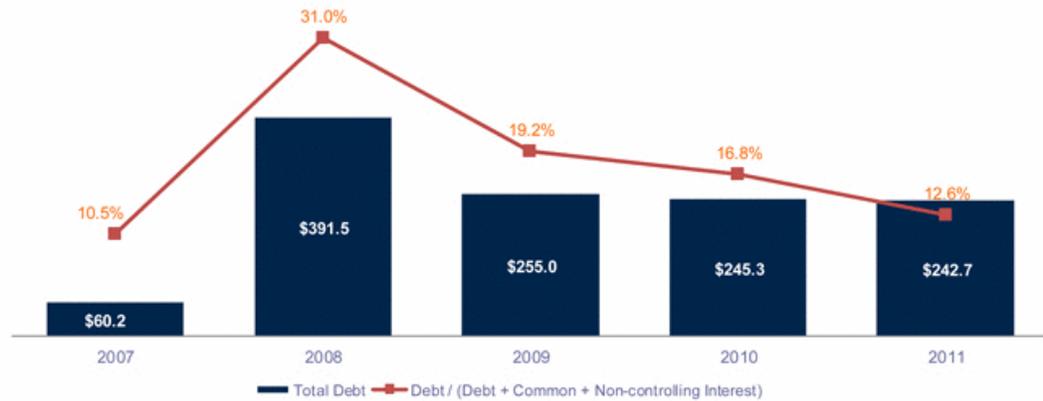




## Company overview & recent highlights (cont'd)

- > Significant financial resources - at March 31, 2012 had shareholders' equity of \$1.4 billion and over \$300 million of capital and financial resources to fund future acquisitions, excluding any acquisition-specific debt financing
- > Enstar has rapidly de-levered from 2008 levels, leaving opportunity to raise debt financing to fund future M&A activity

Enstar Debt / Capital Over Time



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## **ENSTAR** Company overview & recent highlights (cont'd) - Run-off market overview

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### > **Worldwide**

- > Excess capacity in the insurance market should require consolidation or cessation of business, providing significant opportunities for Enstar
- > Insurance industry trading at a discount to book suggests that investors want change and consolidation

### > **United States**

- > Size of run-off liabilities has been quoted by industry sources at approximately \$200 billion
- > US run-off market is significant focus for Enstar
- > Many US run-off liabilities are embedded in ongoing insurance groups rather than stand alone entities – will likely result in more portfolio reinsurance transactions rather than entity acquisitions
- > Enstar now has significant US operations and is well known by, and has good relationships with, regulators

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## **ENSTAR** Company overview & recent highlights (cont'd) - Run-off market overview

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### > Europe

- > Industry sources estimate size of run-off liabilities to be approximately €200 billion
- > Severity of catastrophic losses in 2011, concerns over European debt crisis and delays in Solvency II implementation are likely to delay European run-off solutions and divestments

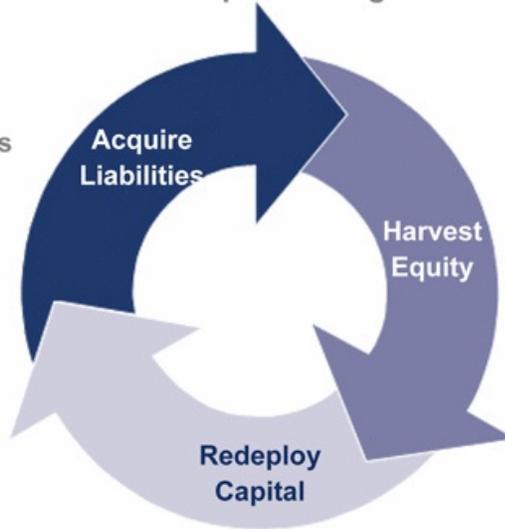
### > Lloyd's

- > Volume of new RITC transactions are now limited but significant potential run-off portfolios remain within Lloyd's, providing Loss Portfolio Transfer reinsurance opportunities

## Enstar's economic model

- > Enstar recycles capital through its business operating cycle, creating a strong source of book value per share growth and internal financing

Step 1: Enstar acquires insurance liabilities from vendors



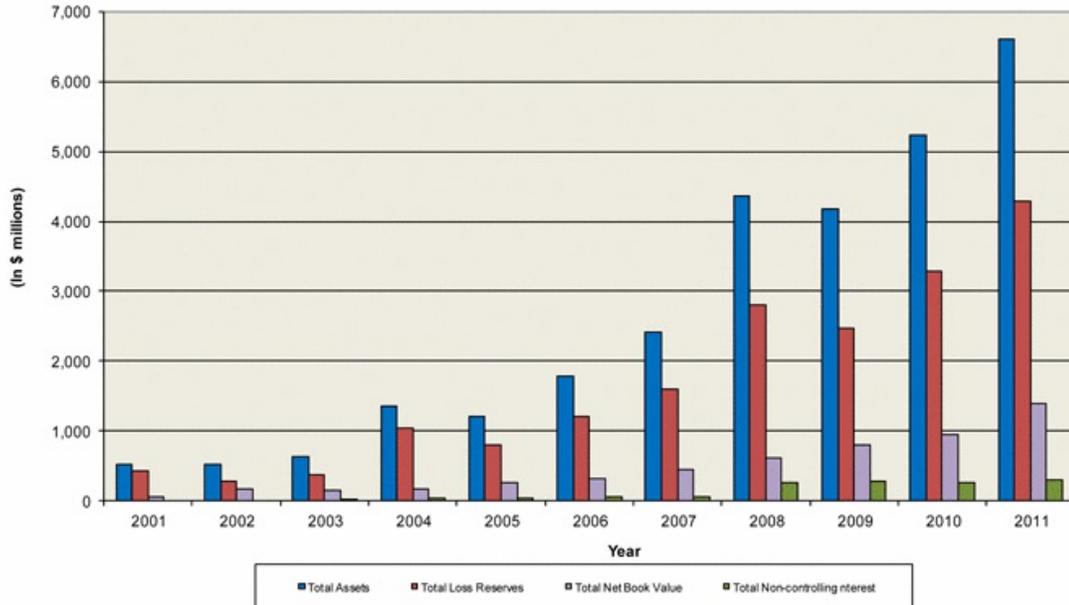
Step 2: Enstar generates profits from run-off entities through investment income and loss reserve savings

Step 3: Profits released from the underlying regulated entities can be redeployed into the business and used to fund future acquisitions



## Enstar's economic model – Balance sheet growth

Enstar Group Limited  
Balance Sheet  
December 31, 2001 to December 31, 2011



# **ENSTAR** Enstar's economic model – Acquisition history

> Summary of acquisitions (2001 – 2011)

Acquisition Year	Number of Acquisitions	Total Assets Acquired	Gross Reserves Acquired	Purchase Prices/Capital Required	Bank Debt	Other Funding
		\$'m	\$'m	\$'m	\$'m	\$'m
2003 + prior	3	649.2	575.6	43.8	---	43.8
2004	4	760.8	732.8	26.2	---	26.2
2005	1	43.5	42.0	1.5	---	1.5
2006	3	645.5	422.6	187.5	44.4	143.1
2007	3	792.8	501.5	120.0	42.1	77.9
2008	13	3,628.1	2,349.1	1,147.4	586.5	560.9
2009	4	269.6	202.2	32.4	---	32.4
2010	14	1,699.7	1,498.6	255.1	71.0	184.1
2011	7	2,132.7	1,794.7	265.6	112.3	153.3
<b>TOTAL</b>	<b>52</b>	<b>10,621.9</b>	<b>8,119.1</b>	<b>2,079.5</b>	<b>856.3</b>	<b>1,223.2</b>



## Enstar's economic model – How Enstar acquires companies & portfolios in run-off

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- > Enstar's transaction pipeline is a significant strategic advantage and highly proprietary
- > Past M&A activity has been sourced from a pipeline many times the size of our annual transaction volume and value
- > Senior leadership at Enstar spends significant time “on the road” sourcing prospects and actively engaged in due diligence & negotiation of acquisitions
- > Run-off M&A is “lumpy” by nature – volume of closed deals is not indicative of pipeline depth or quality at any point in time



## Enstar's economic model – How Enstar acquires companies & portfolios in run-off (cont'd)

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- > **Market tender process is often as follows:**
  - > Request for Proposal to the run-off market with Teaser
  - > Desktop due diligence in first round followed by non-binding offer
  - > If short-listed then detailed due diligence – actuarial, claims, reinsurance asset and investments
  - > If successful, then exclusive contract negotiations and financing discussion
  - > Board and/or executive management discussion and approval
  - > Signing of SPA begins regulatory approval process (if required)
  - > On receipt of regulatory approval, completion and funding take place



## Enstar's economic model – How Enstar acquires companies & portfolios in run-off (cont'd)

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- > Due diligence process is largely as follows:
  - > Oversight and coordination by Enstar's M&A team:
    - > Actuarial review
    - > Review of claims and underwriting files
    - > Review of performance and security of reinsurers
    - > Review of investment portfolio
    - > Tax review - audit firm
    - > Legal review – in-house and external counsel
    - > Internal peer review
  
- > Run-off model prepared by Enstar's M&A team forecasts conservative levels of reserve savings, investment income, expenses, tax and distributions



## Enstar's economic model – How Enstar acquires companies & portfolios in run-off (cont'd)

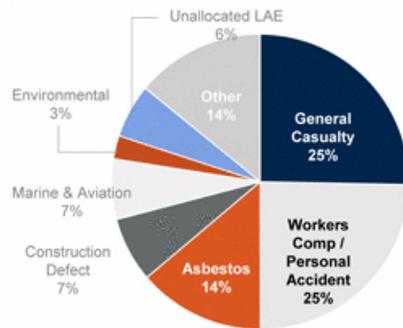
- > **Sale process can often take many years before completion**
  - > Acquisition of Australian operations (Gordian) was reviewed twice before completion in 2008 (once in 2001 and once in 2004)
  - > Sale of Clarendon was presented to the market twice before completion in 2011
  - > Unionamerica was a strategic decision by Travelers to cease non-core operations, package them as “ready for sale” and complete process (which took three years)
- > **Post-acquisition Enstar implements a transition process to:**
  - > Analyze all counter party relationships with policyholders, brokers and reinsurers
  - > Analyze reinsurance asset for additional recoveries or areas of weakness
  - > Restructure investment portfolio in line with Group strategy and run-off profile
  - > Determine commutation targets
  - > Reduce staff to optimum level



## Enstar's economic model – Harvesting equity through loss reserve savings

- > We manage and harvest our loss reserves to generate earnings
  - > Approximately \$1.1 billion of net reserves savings since becoming public company in 2007
  - > Diversified portfolio of legacy liabilities, with focus on long-tail casualty / workers comp / asbestos
  - > 28.7% compound growth in gross loss reserves since 2006
- > Disciplined claims management and successful commutations of our gross loss reserves at December 31, 2011 of \$4.3 billion should produce significant savings over time

Insurance Liabilities by Line (2011)



Total: \$4,283mm

Range of Actuarial Estimates (2011)





## Enstar's economic model – Harvesting equity through loss reserve savngs (cont'd)

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### > Primary aims

- > Commuting policies with individual policy holders
- > Settling litigation (where appropriate) to avoid legal costs
- > Disciplined claims management and handling procedures
- > Effective recovery of reinsurance assets

### > Commuting policies

- > Primarily relates to reinsurance contracts or policy buy-backs from direct insureds
- > One-time settlement of all liabilities under the policies written by the acquired company
- > Targets initially determined at due diligence and prioritized post-acquisition
  - > Relationships are analyzed and combined with other Group relationships
  - > Growth in acquisitions provides greater commutation leverage
- > All significant counterparties' files are inspected by Cranmore
- > Contract validation and reserve issues are primary incentive for policyholder to commute

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## **ENSTAR** Enstar's economic model – Harvesting equity through loss reserve savings (cont'd)

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### > **Commuting policies (cont'd)**

- > Commutations can take many months or years to complete
- > All commutations require approval by one of joint COO's or CFO and follow a robust sign-off process

### > **Disciplined claims management**

- > On acquisition Enstar's claim tracking system is installed in new company
- > Claims approval levels are set for all claims staff
- > Claims inspections are prioritized, scheduled and performed by Cranmore
- > Usage of third-party lawyers is reviewed and rationalized
- > Participation in market claims settlements is reviewed and reduced where appropriate



## Enstar's economic model – Harvesting equity through loss reserve savings (cont'd)

- > Bad debt recovery and commutations of ceded reinsurance policies across multiple entities also provide opportunities for Enstar to generate reserve savings
  - > Our bad debt provision represents >17% of our reinsurance asset before bad debt provisions
  - > However, "A-" or better-rated counterparties represent ~95% of our reinsurance asset after bad debt provisions

### Reinsurance Asset as at March 31, 2012

Reinsurance recoverables due from:	\$M
"A-" rated reinsurers	1,558.5
All other reinsurers	432.5
<i>Total reinsurance recoverable before bad debt provisions</i>	<i>1,991.0</i>
Bad debt provisions	(349.7)
<i>Net reinsurance recoverable</i>	<i>\$ 1,641.3</i>



## Enstar's economic model – Harvesting equity through investment income

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### > Investment strategy - Constraints

- > We will generally have negative cash flows from operations driven primarily by commutations
- > Our cash and investment portfolio is split amongst all our regulated entities subject to local regulatory and bank loan constraints
- > Required to post collateral in short duration, highly rated, low return investments - \$1.2 billion of collateral posted at March 31, 2012
- > To fund acquisitions, we aim to internally distribute capital that is surplus to regulatory requirements, which reduces our ability to invest in higher yielding but less admissible assets
- > Current economic environment provides for low yields on high quality investments – extra duration provides little additional yield but locks up investments
- > Loss reserves are our key risk area – we aim to take relatively little risk with our investment portfolio
- > We aim to settle the majority of liabilities of our entities between 5 and 7 years and match the duration of the investment portfolio accordingly



## Enstar's economic model – Harvesting equity through investment income

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### > Strategy/opportunities

- > Duration of majority (approximately 85% to 90%) of our investments will be between one month and 5 years
  - > Investments with duration over one year are primarily held to maturity
- > Actively pursuing opportunistic investments with attractive risk / return within stated guidelines (up to 10-15% of our portfolio)
- > Potential hardening of interest rates off of recent historical lows
- > Further centralized management of our 52 individual portfolios, with a focus on maximizing efficiencies

### > Management

- > Investment Committee - Bob Campbell, Chuck Akre, Sumit Rajpal, Richard Harris and David Rocke
- > Chief Investment Officer – Roger Thompson



## Enstar's economic model – Harvesting equity through investment income

- > The following table provides a breakdown of the fair value of our cash and investment portfolio at March 31, 2012:

Alternative  
Investments  
\$627.2m

Type of Investment	Fair Value \$M	Percent of Cash and Investments
U. S. Government and agency	389.5	8%
Non U.S. government	401.6	9%
Corporate	1,945.6	42%
Municipal	25.4	1%
Residential mortgage-backed	103.4	2%
Commercial mortgage-backed	102.6	2%
Asset-backed	61.9	1%
Other investments	237.9	5%
Public equities	96.0	2%
Cash and cash equivalents	1,238.9	28%
<b>Total</b>	<b>4,602.8</b>	<b>100.0%</b>



## Financial Historical Data

Summary Balance Sheet Data – December 31, 2007 – March 31, 2012 (in US\$ millions)

	Mar 31, 2012	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
<b>Assets</b>						
Investments & Cash	4,602.8	4,558.9	3,884.5	3,321.1	3,487.9	1,800.5
Reinsurance	1,641.3	1,789.6	961.4	638.3	672.7	465.3
Other	215.7	257.6	390.0	211.4	197.6	151.3
<b>Total Assets</b>	<b>6,459.8</b>	<b>6,606.1</b>	<b>5,235.9</b>	<b>4,170.8</b>	<b>4,358.2</b>	<b>2,417.1</b>
<b>Liabilities</b>						
Loss Reserves	4,138.6	4,282.9	3,291.3	2,479.1	2,798.3	1591.4
Others	655.5	639.8	728.8	615.6	688.7	311.7
<b>Total Liabilities</b>	<b>4,794.1</b>	<b>4,922.7</b>	<b>4,020.1</b>	<b>3,094.7</b>	<b>3,487.0</b>	<b>1,903.1</b>
<b>Enstar Group Limited</b>						
Shareholders' Equity	1,400.8	1,386.0	948.4	801.8	615.2	450.6
Noncontrolling Interest	264.9	297.4	267.4	274.3	256.0	63.4
<b>Total</b>	<b>1,665.7</b>	<b>1,683.4</b>	<b>1,215.8</b>	<b>1,076.1</b>	<b>871.2</b>	<b>514.0</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>6,459.8</b>	<b>6,606.1</b>	<b>5,235.9</b>	<b>4,170.8</b>	<b>4,358.2</b>	<b>2,417.1</b>



## Financial Historical Data

Summary Statement of Earnings – December 31, 2007 – March 31, 2012 (in US\$ millions)

	3-Months Ended Mar 31, 2012	3-Months Ended Mar 31, 2011	12-Months Ended Dec 31, 2011	12-Months Ended Dec 31, 2010	12-Months Ended Dec 31, 2009	12-Months Ended Dec 31, 2008	12-Months Ended Dec 31, 2007
Consulting fee income	2.2	4.0	17.8	23.0	16.1	25.2	31.9
Net investment income and net realized and unrealized gains	45.8	21.9	77.9	113.0	85.6	24.9	64.3
Gain on bargain purchase	0.0	13.1	13.1	0.0	0.0	50.3	15.7
Net reduction in ultimate loss and loss adjustment expense liabilities	10.8	4.1	295.4	311.8	259.6	242.1	24.5
Total other expenses	(39.7)	(37.4)	(170.4)	(155.7)	(156.7)	(148.0)	(75.3)
Share of net earnings of partly owned company	0.0	0.0	0.0	10.7	(0.0)	(0.2)	0.0
Income taxes	(3.7)	(0.6)	(25.3)	(87.1)	(27.6)	(46.8)	7.4
<b>Net earnings</b>	<b>15.4</b>	<b>5.1</b>	<b>208.5</b>	<b>215.7</b>	<b>177.0</b>	<b>147.5</b>	<b>68.5</b>
Net earnings attributable to non-controlling interest	(5.7)	(1.6)	(54.8)	(41.6)	(41.8)	(65.9)	(6.7)
<b>Net earnings attributable to Enstar Group Limited</b>	<b>9.7</b>	<b>3.5</b>	<b>153.7</b>	<b>174.1</b>	<b>135.2</b>	<b>81.6</b>	<b>61.8</b>

# CLOSING REMARKS / Q&A

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## Contact Enstar

### Principal Locations

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