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

FORM 8-K

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

Date of report (Date of earliest event reported): April 2, 2007

Enstar Group Limited

(Exact name of registrant as specified in its charter)

<u>Bermuda</u> (State or other jurisdiction of incorporation)	<u>001-33289</u> (Commission File Number)	<u>N/A</u> (IRS Employer Identification No.)
<u>P.O. Box HM 2267, Windsor Place, 3rd Floor 18 Queen Street, Hamilton HM JX Bermuda</u> (Address of principal executive offices)		<u>N/A</u> (Zip Code)

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

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 5.02. Departures of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Approval of Bonus Awards for the Fiscal Year ended December 31, 2006

On April 2, 2007, Enstar Group Limited, formerly Castlewood Holdings Limited (the “Company”), awarded bonuses under the Company’s 2006-2010 Annual Incentive Compensation Program (the “Annual Incentive Program”). The bonuses, which consist of cash and ordinary shares of the Company, were awarded to the following executives of the Company in the amounts set forth below:

<u>Employee</u>	<u>Cash Bonus Amount</u>	<u>Ordinary Share Awards</u>
Dominic F. Silvester	\$937,508	3,168
Paul J. O’Shea	\$937,508	3,168
Nicholas A. Packer	\$750,046	2,534
Richard J. Harris	\$750,046	2,534

In addition, the Company awarded bonuses to John J. Oros, Executive Chairman of the Company and President of the Company’s subsidiary, Enstar USA, Inc., and Nimrod T. Frazer, the former Chief Executive Officer of the Company’s subsidiary, Enstar USA, Inc. Mr. Oros received a bonus of \$937,508 in cash and 3,168 ordinary shares of the Company. Mr. Frazer received a bonus of \$562,584 in cash and 1,900 ordinary shares of the Company.

The ordinary shares provided as bonuses were issued under the Company’s 2006 Equity Incentive Plan (the “Equity Plan”) and were awarded pursuant to an award agreement in the form attached hereto as [Exhibit 10.1](#).

Also, on April 2, 2007, the Company’s Board of Directors approved an amendment to each of the Equity Plan and the Annual Incentive Program. The amendment to the Equity Plan changed the name of the Equity Plan to the Enstar Group Limited 2006 Equity Incentive Plan. The amendment to the Annual Incentive Program changed the name of the Annual Incentive Program to the Enstar Group Limited 2006-2010 Annual Incentive Compensation Program. A copy of Amendment No. 1 to the Equity Plan and Amendment No. 1 to the Annual Incentive Program are attached hereto as exhibits 10.2 and 10.3, respectively.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

- 10.1 Form of Award Agreement under the Castlewood Holdings Limited 2006 Equity Incentive Plan
 - 10.2 Amendment No. 1 to Equity Incentive Plan
 - 10.3 Amendment No. 1 to Annual Incentive Program
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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 thereunto duly authorized.

Date: April 6, 2007

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris

Richard J. Harris
Chief Financial Officer

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EXHIBIT INDEX

- 10.1 Form of Award Agreement under the Castlewood Holdings Limited 2006 Equity Incentive Plan
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- 10.3 Amendment No. 1 to Annual Incentive Program

ENSTAR GROUP LIMITED
2006 EQUITY INCENTIVE PLAN
BONUS SHARE AWARD

This BONUS SHARE AWARD (the "Award"), effective as of the ____ day of _____, 2007 (the "Award Date"), is granted by Enstar Group Limited, a Bermuda corporation (the "Company"), to _____ (the "Grantee"), under the Enstar Group Limited 2006 Equity Incentive Plan (the "Plan").

WHEREAS, the Grantee has received an award for 2006 under the Enstar Group Limited 2006-2010 Annual Incentive Compensation Program (the "Program"); and

WHEREAS, the Compensation Committee of the Board of Directors of the Company has determined in accordance with the terms of the Program that a portion of the 2006 award under the Program shall be paid in the form of Bonus Shares under the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Award of Bonus Shares. There is hereby awarded to the Grantee as of the Award Date ____ Shares ("Bonus Shares"). This award is in all respects limited and conditioned as hereinafter provided.

2. Share Certificates. Certificates for Bonus Shares shall be registered in the Grantee's name.

3. Transfer Restrictions. As a condition of this Award, Grantee agrees not to sell, transfer, assign, grant a participation interest in or option for, pledge, hypothecate or otherwise dispose of or encumber (each, a "Transfer"), or enter into any agreement, contract or option with respect to the Transfer of, or commit or agree to take any of the foregoing actions with respect to, any of the awarded Bonus Shares for a period of one year following the Award Date; provided that the foregoing restriction shall not apply to a Transfer (i) to the Company, (ii) to a trust under which distributions may be made only to such Grantee or his or her immediate family members; (iii) to a charitable remainder trust, the income from which will be paid to such Grantee during his or her life, (iv) to a corporation, partnership, limited liability company or other entity, all of the equity interests in which are held, directly or indirectly, by such Grantee and his or her immediate family members, or (v) in connection with a tender offer, merger, amalgamation, recapitalization, reorganization or similar transaction involving the Company, provided in the case of the foregoing clauses (ii) – (iv) that such Grantee has sole, ultimate control of the entity referred to and such entity agrees to be bound by this Agreement. Any

attempt by the Grantee, directly or indirectly, to Transfer any of the Bonus Shares, or any interest therein, or any rights relating thereto, without complying with the provisions of this Agreement, shall be void and of no effect.

4. Withholding of Taxes. The obligation of the Company to deliver Shares shall be subject to applicable tax withholding requirements.

5. Governing Law. This Award shall be construed in accordance with, and its interpretation shall be governed by the applicable provisions of the United States Internal Revenue Code of 1986, as amended, and otherwise by the laws of Bermuda (without reference to the principles of conflicts of laws).

IN WITNESS WHEREOF, the Company has caused this Award to be duly executed by its duly authorized officer, on _____, 2007, and the Grantee has accepted this Award (and by accepting such Award, has agreed to its terms and conditions).

ENSTAR GROUP LIMITED

By: _____

Accepted by:

Grantee

**FIRST AMENDMENT TO
CASTLEWOOD HOLDINGS LIMITED
2006 EQUITY INCENTIVE PLAN**

WHEREAS, Castlewood Holdings Limited established the Castlewood Holdings Limited 2006 Equity Incentive Plan (the "Plan"); and

WHEREAS, the name of Castlewood Holdings Limited has been changed to Enstar Group Limited; and

WHEREAS, it is desired to amend the Plan to reflect the change in name of the Company and to change the name of the Plan accordingly.

NOW, THEREFORE, the Plan is hereby amended, effective March 30, 2007, as follows:

1. Section 2(j) is hereby amended to read as follows:

(j) "COMPANY" shall mean Enstar Group Limited, a Bermuda corporation.

2. Section 2(y) is hereby amended to read as follows:

(y) "PLAN" shall mean the Enstar Group Limited 2006 Equity Incentive Plan as set forth herein and as amended from time to time.

3. Enstar Group Limited is hereby substituted for Castlewood Holdings Limited in each other place it appears in the Plan.

**FIRST AMENDMENT TO
CASTLEWOOD HOLDINGS LIMITED
2006-2010 ANNUAL INCENTIVE COMPENSATION PROGRAM**

WHEREAS, Castlewood Holdings Limited established the Castlewood Holdings Limited 2006-2010 Annual Incentive Compensation Program (the "Program"); and

WHEREAS, the name of Castlewood Holdings Limited has been changed to Enstar Group Limited; and

WHEREAS, it is desired to amend the Program to change the name of the Company, to change the reference to the Castlewood Holdings Limited 2006 Equity Incentive Plan to the Enstar Group Limited 2006 Equity Incentive Plan and to change the name of the Program to the Enstar Group Limited 2006-2010 Annual Incentive Compensation Program.

NOW, THEREFORE, the Plan is hereby amended, effective March 30, 2007, to substitute Enstar Group Limited for Castlewood Holdings Limited each place it appears in the Program.