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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File No. 001-34042

MAIDEN HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

Bermuda	98-0570192
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
94 Pitts Bay Road	
Pembroke	
Bermuda	HM08
(Address of principal executive offices)	(Zip Code)

(441) 298-4900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol(s)	Name of Each Exchange on Which Registered
Common Shares, par value $0.01 per share	MHLD	NASDAQ Global Select Market
Series A Preference Shares, par value $0.01 per share	MH.PA	New York Stock Exchange
Series C Preference Shares, par value $0.01 per share	MH.PC	New York Stock Exchange
Series D Preference Shares, par value $0.01 per share	MH.PD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	
		Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).

Yes ☐ No ☒

As of July 31, 2019, the number of the Registrant's Common Stock ($.01 par value) outstanding was 83,066,135.

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars, except share and per share data)

	June 30, 2019	December 31, 2018
ASSETS	**(Unaudited)**	**(Audited)**
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost 2019 - $2,942,207; 2018 - $3,109,980)	$ 2,971,598	$ 3,051,568
Fixed maturities, held-to-maturity, at amortized cost (fair value 2018 - $998,012)	—	1,015,681
Other investments, at fair value	28,431	23,716
Total investments	3,000,029	4,090,965
Cash and cash equivalents	82,465	200,841
Restricted cash and cash equivalents	381,698	130,148
Accrued investment income	22,279	27,824
Reinsurance balances receivable, net (includes $46,936 and $38,278 from related parties in 2019 and 2018, respectively)	67,625	67,308
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses (includes $101,326 and $370,037 from related parties in 2019 and 2018, respectively)	113,630	388,442
Funds withheld receivable (includes $633,123 from related parties in 2019)	681,272	27,039
Other assets	15,574	12,443
Assets held for sale	66,009	174,475
Total assets	$ 4,598,556	$ 5,287,460
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes $2,944,613 and $2,950,388 from related parties in 2019 and 2018, respectively)	$ 3,051,265	$ 3,055,976
Unearned premiums (includes $280,170 and $1,135,913 from related parties in 2019 and 2018, respectively)	322,166	1,200,419
Liability for investments purchased	298,939	—
Accrued expenses and other liabilities	14,805	65,494
Senior notes - principal amount	262,500	262,500
Less: unamortized debt issuance costs	7,700	7,806
Senior notes, net	254,800	254,694
Liabilities held for sale	66,009	155,961
Total liabilities	4,007,984	4,732,544
Commitments and Contingencies		
EQUITY		
Preference shares	465,000	465,000
Common shares ($0.01 par value; 88,079,315 and 87,938,537 shares issued in 2019 and 2018, respectively; 83,066,135 and 82,948,577 shares outstanding in 2019 and 2018, respectively)	881	879
Additional paid-in capital	751,007	749,418
Accumulated other comprehensive income (loss)	21,152	(65,616)
Accumulated deficit	(615,940)	(563,891)
Treasury shares, at cost (5,013,180 and 4,989,960 shares in 2019 and 2018, respectively)	(31,528)	(31,515)
Total Maiden shareholders' equity	590,572	554,275
Noncontrolling interests in subsidiaries	—	641
Total equity	590,572	554,916
Total liabilities and equity	$ 4,598,556	$ 5,287,460

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(in thousands of U.S. dollars, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues				
Gross premiums written	$ 2,117	$ 521,526	$ (559,022)	$ 1,144,854
Net premiums written	$ (409)	$ 521,028	$ (561,939)	$ 1,143,679
Change in unearned premiums	134,395	(16,640)	879,027	(122,478)
Net premiums earned	133,986	504,388	317,088	1,021,201
Other insurance revenue	754	2,033	1,504	5,759
Net investment income	31,122	34,260	63,144	67,129
Net realized gains (losses) on investment	24,086	(414)	12,985	(57)
Total revenues	189,948	540,267	394,721	1,094,032
Expenses				
Net loss and loss adjustment expenses	121,561	370,001	274,250	723,207
Commission and other acquisition expenses	49,656	162,780	119,273	329,408
General and administrative expenses	12,849	14,860	28,788	30,531
Interest and amortization expenses	4,830	4,829	9,659	9,658
Foreign exchange and other gains	(1,207)	(4,821)	(6,186)	(2,414)
Total expenses	187,689	547,649	425,784	1,090,390
Income (loss) from continuing operations before income taxes	2,259	(7,382)	(31,063)	3,642
Less: income tax benefit	(1,026)	(1,847)	(1,064)	(3,171)
Net income (loss) from continuing operations	3,285	(5,535)	(29,999)	6,813
(Loss) income from discontinued operations, net of income tax	(18,698)	8,215	(22,050)	18,210
Net (loss) income	(15,413)	2,680	(52,049)	25,023
Net income from continuing operations attributable to noncontrolling interests	—	(47)	—	(118)
Net (loss) income attributable to Maiden	(15,413)	2,633	(52,049)	24,905
Dividends on preference shares	—	(8,546)	—	(17,091)
Net (loss) income attributable to Maiden common shareholders	$ (15,413)	$ (5,913)	$ (52,049)	$ 7,814
Basic and diluted earnings (loss) from continuing operations per share attributable to Maiden common shareholders	$ 0.04	$ (0.17)	$ (0.36)	$ (0.13)
Basic and diluted (loss) earnings from discontinued operations per share attributable to Maiden common shareholders	(0.23)	0.10	(0.27)	0.22
Basic and diluted (loss) earnings per share attributable to Maiden common shareholders	$ (0.19)	$ (0.07)	$ (0.63)	$ 0.09
Weighted average number of common shares - basic	83,058,123	83,126,204	83,008,888	83,083,545
Adjusted weighted average number of common shares and assumed conversions - diluted	83,075,156	83,126,204	83,008,888	83,083,545

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in thousands of U.S. dollars)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net (loss) income	$ (15,413)	$ 2,680	$ (52,049)	$ 25,023
Other comprehensive income (loss)				
Net unrealized holdings gains (losses) on available-for-sale fixed maturities arising during period	43,018	(50,425)	92,048	(117,268)
Adjustment for reclassification of net realized (gains) losses recognized in net (loss) income	(15,415)	745	(2,927)	(745)
Foreign currency translation adjustment	(6,192)	15,605	(2,194)	7,665
Other comprehensive income (loss), before tax	21,411	(34,075)	86,927	(110,348)
Income tax (expense) benefit related to components of other comprehensive income (loss)	(39)	2	(81)	17
Other comprehensive income (loss), after tax	21,372	(34,073)	86,846	(110,331)
Comprehensive income (loss)	5,959	(31,393)	34,797	(85,308)
Net income attributable to noncontrolling interests	—	(47)	—	(118)
Other comprehensive loss (income) attributable to noncontrolling interests	—	29	(78)	18
Comprehensive income attributable to noncontrolling interests	—	(18)	(78)	(100)
Comprehensive income (loss) attributable to Maiden	$ 5,959	$ (31,411)	$ 34,719	$ (85,408)

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in thousands of U.S. dollars)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Preference shares - Series A, C and D				
Beginning balance	$ 465,000	$ 465,000	$ 465,000	$ 465,000
Ending balance	465,000	465,000	465,000	465,000
Common shares				
Beginning balance	881	879	879	877
Exercise of options and issuance of shares	—	—	2	2
Ending balance	881	879	881	879
Additional paid-in capital				
Beginning balance	750,670	749,054	749,418	748,113
Exercise of options and issuance of common shares	—	—	(2)	(2)
Share-based compensation expense	337	265	1,591	1,208
Ending balance	751,007	749,319	751,007	749,319
Accumulated other comprehensive loss				
Beginning balance	(220)	(62,915)	(65,616)	13,354
Change in net unrealized gains (losses) on investment	27,564	(49,678)	89,040	(117,996)
Foreign currency translation adjustment	(6,192)	15,634	(2,272)	7,683
Ending balance	21,152	(96,959)	21,152	(96,959)
(Accumulated deficit) retained earnings				
Beginning balance	(600,527)	36,727	(563,891)	35,472
Net (loss) income attributable to Maiden	(15,413)	2,633	(52,049)	24,905
Dividends on preference shares	—	(8,546)	—	(17,091)
Dividends on common shares	—	(12,476)	—	(24,948)
Ending balance	(615,940)	18,338	(615,940)	18,338
Treasury shares				
Beginning balance	(31,515)	(30,835)	(31,515)	(30,642)
Shares repurchased	(13)	—	(13)	(193)
Ending balance	(31,528)	(30,835)	(31,528)	(30,835)
Noncontrolling interests in subsidiaries				
Beginning balance	—	534	641	452
Disposal of subsidiaries	—	—	(719)	—
Net income attributable to noncontrolling interests	—	47	—	118
Foreign currency translation adjustment	—	(29)	78	(18)
Ending balance	—	552	—	552
Total equity	$ 590,572	$ 1,106,294	$ 590,572	$ 1,106,294

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands of U.S. dollars)

For the Six Months Ended June 30,	**2019**	**2018**
Cash flows from operating activities		
Net (loss) income	$ (52,049)	$ 25,023
Less: net loss (income) from discontinued operations	22,050	(18,210)
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation, amortization and share-based compensation	4,388	3,183
Net realized (gains) losses on investment	(12,985)	57
Foreign exchange and other gains	(6,186)	(2,414)
Changes in assets – (increase) decrease:		
Reinsurance balances receivable, net	(1,191)	(103,065)
Accrued investment income	5,526	270
Deferred commission and other acquisition expenses	136,686	(34,106)
Funds withheld receivable	(81,649)	3,399
Other assets	(8,032)	(2,770)
Changes in liabilities – increase (decrease):		
Reserve for loss and loss adjustment expenses	(833)	167,602
Unearned premiums	(459,179)	108,662
Accrued expenses and other liabilities	(48,371)	(12,929)
Net cash (used in) provided by continuing operations	(501,825)	134,702
Net cash used in discontinued operations	(1,832)	(78,598)
Net cash (used in) provided by operating activities	(503,657)	56,104
Cash flows from investing activities:		
Purchases of fixed-maturities – available-for-sale	(395,640)	(441,953)
Purchases of other investments	(5,290)	—
Proceeds from sales of fixed-maturities – available-for-sale	709,615	116,555
Proceeds from maturities, paydowns and calls of fixed maturities	324,480	250,833
Proceeds from sale and redemption of other investments	580	1,022
Other, net	3,276	(2,041)
Net cash provided by (used in) investing activities for continuing operations	637,021	(75,584)
Net cash (used in) provided by investing activities for discontinued operations	(6,113)	97,784
Net cash provided by investing activities	630,908	22,200
Cash flows from financing activities:		
Repurchase of common shares	(13)	(193)
Dividends paid – Maiden common shareholders	—	(24,924)
Dividends paid – preference shares	—	(17,091)
Net cash used in financing activities	(13)	(42,208)
Effect of exchange rate changes on foreign currency cash, restricted cash and equivalents	(177)	(820)
Net increase in cash, restricted cash and cash equivalents	127,061	35,276
Cash, restricted cash and cash equivalents, beginning of period	337,102	191,503
Cash, restricted cash and cash equivalents, end of period	464,163	226,779
Less: cash, restricted cash and equivalents of discontinued operations, end of period	—	(44,158)
Cash, restricted cash and cash equivalents of continuing operations, end of period	$ 464,163	$ 182,621
Reconciliation of cash & restricted cash reported within Condensed Consolidated Balance Sheets:		
Cash and cash equivalents, end of period	$ 82,465	$ 52,362
Restricted cash and cash equivalents, end of period	381,698	130,259
Total cash, restricted cash and cash equivalents, end of period	$ 464,163	$ 182,621
Non-cash investing activities		
Investments transferred out related to Partial Termination Amendment	$ 280,670	$ —
Investments transferred out related to funds withheld arrangement with AmTrust	571,396	—
Investments transferred out related to discontinued operations	65,400	—

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Maiden Holdings, Ltd. ("Maiden Holdings") and its subsidiaries (the "Company" or "Maiden"). They have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. All significant intercompany transactions and accounts have been eliminated.

These interim unaudited Condensed Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim period and all such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative, if annualized, of those to be expected for the full year. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

These unaudited Condensed Consolidated Financial Statements, including these notes, should be read in conjunction with the Company's audited Consolidated Financial Statements, and related notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Results of operations for prior year comparatives have been reclassified for 2018 to conform to the 2019 presentation due to discontinued operations as discussed below. The effect of these reclassifications had no impact on previously reported shareholders' equity or net income.

Strategic Review

Maiden Holdings's Board of Directors initiated a review of strategic alternatives ("Strategic Review") in the first quarter of 2018 to evaluate ways to increase shareholder value as a result of continuing significant operating losses and lower returns on equity than planned.

In addition, as of December 31, 2018, the Company and its subsidiary Maiden Reinsurance Ltd. ("Maiden Bermuda") failed to meet their requirements to hold sufficient capital to cover their respective enhanced capital requirements (“ECR”). The Company had communicated such conditions to the Bermuda Monetary Authority ("BMA") and is following the guidelines of a reportable “event” as stipulated by Bermuda insurance law.

As part of both the Strategic Review and the remediation measures implemented to cure the breach of the ECR, a series of transactions were entered into, including: (1) completed the sale of Maiden Reinsurance North America, Inc. ("Maiden US") on December 27, 2018; (2) Maiden Bermuda's shareholders, Maiden Holdings and Maiden Holdings North America, Ltd. ("Maiden NA"), made capital injections of $125,000 on December 31, 2018 and $70,000 on January 18, 2019 to Maiden Bermuda from the sale proceeds of Maiden US; (3) entered into a partial termination amendment ("Partial Termination Amendment") with AmTrust Financial Services Inc. ("AmTrust") effective January 1, 2019 which amended the quota share reinsurance agreement (“AmTrust Quota Share”) between Maiden Bermuda and AmTrust’s wholly owned subsidiary AmTrust International Insurance, Ltd. (“AII”) (as more fully described in Note 8); (4) entered into amendments which terminated the AmTrust Quota Share and the European hospital liability quota share reinsurance contract (“European Hospital Liability Quota Share”) with AmTrust’s wholly owned subsidiaries AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC") effective January 1, 2019; (5) entered into the loss portfolio and adverse development cover agreement with Enstar Group Limited ("Enstar") pursuant to the revised Master Transaction Agreement entered into on March 1, 2019 ("LPT/ADC MTA"); and (6) entered into a Commutation and Release Agreement with AmTrust to commute certain workers' compensation business with AII as of January 1, 2019.

As a result of the completion of these steps on July 31, 2019, both the Company and Maiden Bermuda have sufficient capital in excess of the respective ECR requirements. The relevant solvency ratios are expected to continue to improve throughout the remainder of 2019. Please refer to *"Note 13. Subsequent Events"* for additional details regarding the loss portfolio transfer and adverse development cover agreement ("LPT/ADC Agreement") with Enstar and the Commutation and Release Agreement with AmTrust.

Discontinued Operations

As part of the Strategic Review initiated by the Company's Board of Directors during 2018, the Company made the strategic decision to divest its U.S. treaty reinsurance operations which was completed on December 27, 2018. Except as explicitly described as held for sale or as discontinued operations, and unless otherwise noted, all discussions and amounts presented herein relate to the Company's continuing operations except for net loss, net loss attributable to Maiden and net loss attributable to Maiden common shareholders.

Sale of U.S. Treaty Reinsurance Operations

The sale of the U.S. treaty reinsurance business occurred in two parts as described below:

(a) On August 29, 2018, the Company entered into a Renewal Rights Agreement ("Renewal Rights") with Transatlantic Reinsurance Company ("TransRe"), pursuant to which the Company sold, and TransRe purchased, Maiden US's rights to: (i) renew Maiden US’s treaty reinsurance agreements upon their expiration or cancellation, (ii) solicit renewals of and replacement coverages for the treaty reinsurance agreements and (iii) replicate and use the products and contract forms used in Maiden US’s business. The sale was consummated on August 29, 2018. The Company continues to earn premiums and remain liable for losses occurring subsequent to August 29, 2018 for any policies in force prior to and as of August 29, 2018, until those policies expire.

1. Basis of Presentation (continued)

The payment received for the sale of the Renewal Rights was $7,500 subject to potential additional amounts payable in the future in accordance with the agreement, however no additional amounts to the fee have been recognized to date.

(b) On December 27, 2018, the Company completed its sale agreement ("U.S. Sale Agreement") with Enstar Holdings (US) LLC ("Enstar Holdings"), pursuant to which Maiden NA sold Maiden US to Enstar Holdings. Pursuant to and subject to the terms of the U.S. Sale Agreement: Maiden NA sold, and Enstar Holdings purchased, all of the outstanding shares of common stock of Maiden US (“Maiden US Sale”) for gross consideration of $286,375; (ii) Cavello Bay Reinsurance Limited ("Cavello"), Enstar’s Bermuda reinsurance affiliate, and Maiden Bermuda entered into an agreement pursuant to which certain quota share reinsurance contracts between Maiden US and Maiden Bermuda were novated to Cavello for a ceding commission paid by Maiden Bermuda of $12,250; (iii) Cavello and Maiden Bermuda also entered into a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Bermuda were retroceded to Cavello in exchange for a $1,750 ceding commission; and (iv) Maiden Bermuda provided Enstar with a reinsurance cover for loss reserve development, up to a maximum of $25,000, when losses are more than $100,000 in excess of the net loss and loss adjustment expenses recorded as of June 30, 2018, for no additional consideration.

Please refer to *"Note 13. Subsequent Events"* for further details regarding the subsequent Settlement and Commutation Agreement and related ancillary agreements entered into by Maiden and Enstar affecting the terms of the U.S. Sale Agreement discussed above.

The Company determined that the sale of the U.S. treaty reinsurance operations represented a strategic shift that has a major effect on its ongoing operations and financial results and that all of the held for sale criteria have been met. Accordingly, all transactions related to the U.S. treaty reinsurance operations have been reported and presented as part of discontinued operations. Please refer to "*Note 6. Discontinued Operations*" for additional information regarding the effect of the reclassifications on the Company's Condensed Consolidated Financial Statements.

Segments

As a result of the strategic decision to divest all of the Company's U.S. treaty reinsurance operations noted above, the Company revised the composition of its reportable segments. As described in more detail under “*Note 3. Segment Information*”, the reportable segments include: (i) Diversified Reinsurance which consists of a portfolio of property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe; and (ii) AmTrust Reinsurance which includes all business ceded to Maiden Bermuda from subsidiaries of AmTrust. In addition to these reportable segments, the results of operations of the former National General Holdings Corporation Quota Share ("NGHC Quota Share") segment is included in the "Other" category. The prior periods presented herein have been reclassified to conform to this new presentation.

2. Significant Accounting Policies

There have been no material changes to the significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 except for the following:

Recently Adopted Accounting Standards Updates

Improvements to Non-employee Share-Based Payment Accounting

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-07 guidance that simplifies the accounting for share-based payments granted to non-employees for goods and services. Under the guidance, most of the guidance on such payments to non-employees would be aligned with the requirements for share-based payments granted to employees as the board viewed the awards to both employees and non-employees to be economically similar and that two different accounting models are not justified. The Company currently measures directors’ share-based payment awards at fair value as at their grant date; therefore the adoption of this standard on January 1, 2019 did not have any impact on the Company’s Condensed Consolidated Financial Statements.

Codification Improvements

In July 2018, the FASB issued ASU 2018-09 which includes clarifications to existing codifications or corrections of unintended application of guidance that is not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. The amendments in this update include items raised for board consideration through the codification's feedback system that met the scope of this project, making due process necessary. The amendments affect a wide variety of topics in the codification. The amendments apply to all reporting entities within the scope of the affected accounting guidance. None of the topics deemed applicable upon adoption of this standard on January 1, 2019 have a material impact in the Company's interim consolidated financial statements.

2. Significant Accounting Policies (continued)

Topic 842, Leases

In July 2018, the FASB issued ASU 2018-11 for targeted improvements related to ASU 2016-02 which provides entities with an additional transition method to apply the new standard. Under the new optional transition method, an entity initially applies Accounting Standards Codification ("ASC") 842 at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Topic 842 became effective for the Company during the first quarter of 2019 and was applied using a modified retrospective approach by electing the additional transition method permitted by ASU 2018-11. Under the additional transition method, the Company's reporting for the comparative periods presented in its financial statements will be in accordance with the pre-effective date lease accounting requirements under Topic 840.

The Company adopted Topic 842 effective on January 1, 2019, by electing as a package the practical expedients permitted under the transition guidance of Topic 842, and applied consistently to all leases that had commenced before the effective date of adoption. The package of practical expedients allowed the Company not to reassess the following: whether any expired or existing contracts are or contain leases; the lease classification for any expired or existing leases; and initial direct costs for any existing leases. In addition to electing the package of practical expedients, the Company made an accounting policy election to account for non-lease components separately from lease components. Furthermore, the Company made an accounting policy election not to record leases with an initial term of twelve months or less in the Company's Condensed Consolidated Balance Sheets. The adoption of this standard on January 1, 2019 has impacted the Company’s Condensed Consolidated Balance Sheets but did not have any impact on its results of operations or cash flows.

Please refer to *"Note 10. Commitments and Contingencies a) Operating Lease Commitments"* for further disclosures regarding the impact of the adoption of Topic 842 in 2019.

Premium Amortization on Purchased Callable Debt Securities

In March 2017, the FASB issued ASU 2017-08 to amend the amortization period for certain purchased callable debt securities held at a premium. Current U.S. GAAP excludes certain callable debt securities from consideration of early repayment of principal even if the holder is certain that the call will be exercised. As a result, upon the exercise of a call on a callable debt security held at a premium, the unamortized premium is recorded as a loss in earnings.The amendments in ASU 2017-08 affect all entities that hold investments in callable debt securities that have an amortized cost basis in excess of the amount that is repayable by the issuer at the earliest call date. The amendments shorten the amortization period for certain callable debt securities held at a premium and require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. An entity should apply the amendments on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Additionally, in the period of adoption, an entity should provide disclosures about a change in accounting principle.

The Company holds a number of fixed maturities with callable features on its Condensed Consolidated Balance Sheets and this includes certain securities that have been purchased at a premium that are being amortized to their contractual maturity dates. The Company has always handled the amortization of any premiums by amortizing to the earliest effective maturity; therefore, the adoption of this guidance on January 1, 2019 did not have any impact on its Condensed Consolidated Financial Statements.

Recently Issued Accounting Standards Not Yet Adopted

Accounting for Measurement of Credit Losses on Financial Instruments

In April 2019, the FASB issued ASU 2019-04 for targeted improvements related to ASU 2016-13 "*Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments*" which replaces the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The Update also modified the accounting for available-for-sale ("AFS") debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with *Subtopic 326-30, Financial Instruments—Credit Losses—Available-for-Sale Debt Securities*. Credit losses relating to AFS debt securities will be recorded through an allowance for credit losses.

The codification improvements in ASU 2019-04 clarify that an entity should include recoveries when estimating the allowance for credit losses. The amendments specify that expected recoveries of amounts previously written off and expected to be written off should be included in the valuation account and should not exceed the aggregate of amounts previously written off and expected to be written off by the entity. In addition, for collateral dependent financial assets, the amendments clarify that an allowance for credit losses that is added to the amortized cost basis of the financial asset(s) should not exceed amounts previously written off. The amendment also clarifies FASB’s intent to include all reinsurance recoverables that are within the scope of Topic 944 to be within the scope of Subtopic 326-20, regardless of the measurement basis of those recoverables.The guidance is effective for public business entities for annual periods beginning after December 15, 2019, and interim periods therein. The Company is currently evaluating the impact of this guidance on its results of operations, financial condition and liquidity.

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information

The Company currently has two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. Our AmTrust Reinsurance segment includes all business ceded to our wholly owned subsidiary, Maiden Bermuda, from AmTrust, primarily the AmTrust Quota Share and the European Hospital Liability Quota Share. In addition to our reportable segments, the results of operations of the former NGHC Quota Share segment have been included in the "Other" category. Please refer to *"Note 8. Related Party Transactions"* for additional information.

As a result of the strategic decision to divest all of the Company's U.S. treaty reinsurance operations as discussed in "*Note 1. Basis of Presentation*" and "*Note 6. Discontinued Operations*", the Company revised the composition of its reportable segments. Previously, the underwriting results associated with the discontinued operations of the Company's U.S. treaty reinsurance business were included within the Diversified Reinsurance segment and the operating results associated with the remnants of the U.S. excess and surplus business were included within the Other category. These are now excluded and all prior periods presented have been reclassified to conform to this new presentation.

The Company evaluates segment performance based on segment profit separately from the results of our investment portfolio. General and administrative expenses are allocated to the segments on an actual basis except salaries and benefits where management's judgment is applied. The Company does not allocate general corporate expenses to the segments. In determining total assets by reportable segment, the Company identifies those assets that are attributable to a particular segment such as reinsurance balances receivable, deferred commission and other acquisition expenses, funds withheld receivable, loans and restricted cash and cash equivalents and investments. All remaining assets are allocated to Corporate.

As discussed in *"Note 1. Basis of Presentation"* and *"Note 8. Related Party Transactions"*, the Partial Termination Amendment and the termination of the remaining business with AmTrust effective January 1, 2019 resulted in a significant reduction in gross premiums written. This was due to the return of unearned premium on certain lines covered by the Partial Termination Agreement, with no new business written in 2019 due to the termination of the remaining business within the AmTrust Quota Share and the European Hospital Liability Quota Share. The following tables summarize our reporting segment's underwriting results and the reconciliation of our reportable segments and Other category's underwriting results to our consolidated net (loss) income from continuing operations:

For the Three Months Ended June 30, 2019	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$ 11,244	$ (9,127)	$ —	$ 2,117
Net premiums written	$ 8,718	$ (9,127)	$ —	$ (409)
Net premiums earned	$ 22,472	$ 111,514	$ —	$ 133,986
Other insurance revenue	754	—	—	754
Net loss and loss adjustment expenses ("loss and LAE")	(12,497)	(109,088)	24	(121,561)
Commission and other acquisition expenses	(8,147)	(41,509)	—	(49,656)
General and administrative expenses	(2,092)	(562)	—	(2,654)
Underwriting income (loss)	$ 490	$ (39,645)	$ 24	(39,131)
Reconciliation to net income from continuing operations				
Net investment income and realized gains on investment				55,208
Interest and amortization expenses				(4,830)
Foreign exchange and other gains				1,207
Other general and administrative expenses				(10,195)
Income tax benefit				1,026
Net income from continuing operations				$ 3,285
Net loss and LAE ratio(1)	53.8%	97.8%		90.2%
Commission and other acquisition expense ratio(2)	35.1%	37.2%		36.9%
General and administrative expense ratio(3)	9.0%	0.5%		9.5%
Expense ratio(4)	44.1%	37.7%		46.4%
Combined ratio(5)	97.9%	135.5%		136.6%

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Three Months Ended June 30, 2018	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$ 30,041	$ 491,485	$ —	$ 521,526
Net premiums written	$ 29,717	$ 491,311	$ —	$ 521,028
Net premiums earned	$ 28,539	$ 475,849	$ —	$ 504,388
Other insurance revenue	2,033	—	—	2,033
Net loss and LAE	(16,165)	(353,836)	—	(370,001)
Commission and other acquisition expenses	(9,988)	(152,792)	—	(162,780)
General and administrative expenses	(4,593)	(1,082)	—	(5,675)
Underwriting loss	$ (174)	$ (31,861)	$ —	(32,035)
Reconciliation to net loss from continuing operations				
Net investment income and realized losses on investment				33,846
Interest and amortization expenses				(4,829)
Foreign exchange gains				4,821
Other general and administrative expenses				(9,185)
Income tax benefit				1,847
Net loss from continuing operations				$ (5,535)
Net loss and LAE ratio(1)	52.9%	74.4%		73.1%
Commission and other acquisition expense ratio(2)	32.7%	32.1%		32.1%
General and administrative expense ratio(3)	15.0%	0.2%		2.9%
Expense ratio(4)	47.7%	32.3%		35.0%
Combined ratio(5)	100.6%	106.7%		108.1%

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Six Months Ended June 30, 2019	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$ 26,582	$ (585,604)	$ —	$ (559,022)
Net premiums written	$ 23,665	$ (585,604)	$ —	$ (561,939)
Net premiums earned	$ 47,764	$ 269,324	$ —	$ 317,088
Other insurance revenue	1,504	—	—	1,504
Net loss and LAE	(26,888)	(247,158)	(204)	(274,250)
Commission and other acquisition expenses	(17,408)	(101,865)	—	(119,273)
General and administrative expenses	(5,123)	(1,828)	—	(6,951)
Underwriting loss	$ (151)	$ (81,527)	$ (204)	(81,882)
Reconciliation to net loss from continuing operations				
Net investment income and realized gains on investment				76,129
Interest and amortization expenses				(9,659)
Foreign exchange and other gains				6,186
Other general and administrative expenses				(21,837)
Income tax benefit				1,064
Net loss from continuing operations				$ (29,999)
Net loss and LAE ratio[(1)]	54.6%	91.8%		86.1%
Commission and other acquisition expense ratio[(2)]	35.3%	37.8%		37.5%
General and administrative expense ratio[(3)]	10.4%	0.7%		9.0%
Expense ratio[(4)]	45.7%	38.5%		46.5%
Combined ratio[(5)]	100.3%	130.3%		132.6%

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Six Months Ended June 30, 2018	Diversified Reinsurance	AmTrust Reinsurance	Other	Total
Gross premiums written	$ 79,441	$ 1,065,413	$ —	$ 1,144,854
Net premiums written	$ 77,988	$ 1,065,691	$ —	$ 1,143,679
Net premiums earned	$ 54,054	$ 967,147	$ —	$ 1,021,201
Other insurance revenue	5,759	—	—	5,759
Net loss and LAE	(32,064)	(691,143)	—	(723,207)
Commission and other acquisition expenses	(19,300)	(310,108)	—	(329,408)
General and administrative expenses	(9,074)	(2,002)	—	(11,076)
Underwriting loss	$ (625)	$ (36,106)	$ —	(36,731)
Reconciliation to net income from continuing operations				
Net investment income and realized losses on investment				67,072
Interest and amortization expenses				(9,658)
Foreign exchange gains				2,414
Other general and administrative expenses				(19,455)
Income tax benefit				3,171
Net income from continuing operations				$ 6,813
Net loss and LAE ratio[1]	53.6%	71.4%		70.4%
Commission and other acquisition expense ratio[2]	32.2%	32.1%		32.1%
General and administrative expense ratio[3]	15.2%	0.2%		3.0%
Expense ratio[4]	47.4%	32.3%		35.1%
Combined ratio[5]	101.0%	103.7%		105.5%

(1) Calculated by dividing net loss and LAE by the sum of net premiums earned and other insurance revenue.
(2) Calculated by dividing commission and other acquisition expenses by the sum of net premiums earned and other insurance revenue.
(3) Calculated by dividing general and administrative expenses by the sum of net premiums earned and other insurance revenue.
(4) Calculated by adding together the commission and other acquisition expense ratio and general and administrative expense ratio.
(5) Calculated by adding together net loss and LAE ratio and the expense ratio.

The following tables summarize the financial position of our reportable segments including the reconciliation to our consolidated assets at June 30, 2019 and December 31, 2018:

June 30, 2019	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 180,370	$ 3,720,416	$ 3,900,786
Corporate assets	—	—	631,761
Assets held for sale	—	—	66,009
Total Assets	$ 180,370	$ 3,720,416	$ 4,598,556

December 31, 2018	Diversified Reinsurance	AmTrust Reinsurance	Total
Total assets - reportable segments	$ 190,437	$ 4,495,740	$ 4,686,177
Corporate assets	—	—	426,808
Assets held for sale	—	—	174,475
Total Assets	$ 190,437	$ 4,495,740	$ 5,287,460

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables set forth financial information relating to net premiums written by major line of business and reportable segment for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018
Net premiums written	**Total**	**Total**
Diversified Reinsurance		
International	$ 8,718	$ 29,717
Total Diversified Reinsurance	8,718	29,717
AmTrust Reinsurance		
Small Commercial Business	5,515	279,486
Specialty Program	(16,031)	103,196
Specialty Risk and Extended Warranty	1,389	108,629
Total AmTrust Reinsurance	(9,127)	491,311
Total Net Premiums Written	$ (409)	$ 521,028

For the Six Months Ended June 30,	2019	2018
Net premiums written	**Total**	**Total**
Diversified Reinsurance		
International	$ 23,665	$ 77,947
Other	—	41
Total Diversified Reinsurance	23,665	77,988
AmTrust Reinsurance		
Small Commercial Business	(337,166)	647,240
Specialty Program	(28,639)	192,327
Specialty Risk and Extended Warranty	(219,799)	226,124
Total AmTrust Reinsurance	(585,604)	1,065,691
Total Net Premiums Written	$ (561,939)	$ 1,143,679

The following tables set forth financial information relating to net premiums earned by major line of business and reportable segment for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018
Net premiums earned	**Total**	**Total**
Diversified Reinsurance		
International	$ 22,472	$ 28,539
Other	—	—
Total Diversified Reinsurance	22,472	28,539
AmTrust Reinsurance		
Small Commercial Business	23,283	293,514
Specialty Program	30,326	96,739
Specialty Risk and Extended Warranty	57,905	85,596
Total AmTrust Reinsurance	111,514	475,849
Total Net Premiums Earned	$ 133,986	$ 504,388

(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Six Months Ended June 30,	2019	2018
Net premiums earned	Total	Total
Diversified Reinsurance		
International	$ 47,764	$ 54,013
Other	—	41
Total Diversified Reinsurance	47,764	54,054
AmTrust Reinsurance		
Small Commercial Business	62,738	609,223
Specialty Program	106,547	185,233
Specialty Risk and Extended Warranty	100,039	172,691
Total AmTrust Reinsurance	269,324	967,147
Total Net Premiums Earned	$ 317,088	$ 1,021,201

4. Investments

a) Fixed Maturities

The original or amortized cost, estimated fair value and gross unrealized gains and losses of fixed maturities at June 30, 2019 and December 31, 2018 are as follows:

June 30, 2019	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
AFS fixed maturities:				
U.S. treasury bonds	$ 365,953	$ 1,153	$ (3)	$ 367,103
U.S. agency bonds – mortgage-backed	950,301	9,299	(3,203)	956,397
U.S. agency bonds – other	51,875	4	(1)	51,878
Non-U.S. government and supranational bonds	29,321	313	(298)	29,336
Asset-backed securities	220,938	681	(553)	221,066
Corporate bonds	1,310,870	37,115	(15,258)	1,332,727
Municipal bonds	12,949	142	—	13,091
Total fixed maturity investments	$ 2,942,207	$ 48,707	$ (19,316)	$ 2,971,598

December 31, 2018	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
AFS fixed maturities:				
U.S. treasury bonds	$ 138,625	$ 448	$ (1)	$ 139,072
U.S. agency bonds – mortgage-backed	1,485,716	3,491	(36,073)	1,453,134
U.S. agency bonds – other	129,741	40	(548)	129,233
Non-U.S. government and supranational bonds	11,212	66	(1,206)	10,072
Asset-backed securities	216,072	425	(1,415)	215,082
Corporate bonds	1,128,614	6,525	(30,164)	1,104,975
Total AFS fixed maturities	3,109,980	10,995	(69,407)	3,051,568
HTM fixed maturities:				
Corporate bonds	957,845	3,872	(20,990)	940,727
Municipal bonds	57,836	—	(551)	57,285
Total HTM fixed maturities	1,015,681	3,872	(21,541)	998,012
Total fixed maturity investments	$ 4,125,661	$ 14,867	$ (90,948)	$ 4,049,580

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The Company has historically classified its fixed maturity investments as either AFS or held-to-maturity ("HTM"). The AFS portfolio is reported at fair value. The HTM portfolio at December 31, 2018 included securities for which we had the ability and intent to hold to maturity or redemption and was reported at amortized cost. When a security transferred from AFS to HTM, the fair value at the time of transfer, adjusted for subsequent amortization, becomes the security's amortized cost. When a security transferred from HTM to AFS, the security’s amortized cost basis carries over to the AFS category for the subsequent amortization of the historical premium or discount, comparisons of fair value and amortized cost for the purpose of determining unrealized holding gains and losses and required disclosures of amortized cost. The difference between the security’s amortized cost and fair value at the date of transfer into the AFS portfolio will be recognized as an unrealized gain or loss and recorded in accumulated other comprehensive income ("AOCI").

Due to the termination of both AmTrust Reinsurance quota share contracts effective January 1, 2019, the Company no longer believes that it has the positive ability to hold the securities in the HTM portfolio to maturity since this portfolio serves as part of the collateral for the AmTrust Reinsurance segment loss reserves. Therefore, the Company has reclassified and transferred all HTM securities to the AFS portfolio at their fair market value as at March 31, 2019. The carrying value of the HTM securities at the time of transfer was $1,011,878 and the related unrealized gains of $14,230 have been reported in the fair value of the AFS securities as well as reported as a component of AOCI as at March 31, 2019.

The contractual maturities of our fixed maturities are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

June 30, 2019	Amortized cost	Fair value
Maturity		
Due in one year or less	$ 403,428	$ 402,136
Due after one year through five years	791,633	798,539
Due after five years through ten years	575,907	593,460
	1,770,968	1,794,135
U.S. agency bonds – mortgage-backed	950,301	956,397
Asset-backed securities	220,938	221,066
Total fixed maturities	$ 2,942,207	$ 2,971,598

The following tables summarize fixed maturities in an unrealized loss position and the aggregate fair value and gross unrealized loss by length of time the security has continuously been in an unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
June 30, 2019	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed maturities						
U.S. treasury bonds	$ 249,954	$ (3)	$ —	$ —	$ 249,954	$ (3)
U.S. agency bonds – mortgage-backed	10,461	(52)	281,302	(3,151)	291,763	(3,203)
U.S. agency bonds – other	49,988	(1)	—	—	49,988	(1)
Non-U.S. government and supranational bonds	14,126	(181)	7,789	(117)	21,915	(298)
Asset-backed securities	83,560	(419)	9,266	(134)	92,826	(553)
Corporate bonds	26,221	(530)	214,237	(14,728)	240,458	(15,258)
Total temporarily impaired fixed maturities	$ 434,310	$ (1,186)	$ 512,594	$ (18,130)	$ 946,904	$ (19,316)

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

At June 30, 2019, there were approximately 131 securities in an unrealized loss position with a fair value of $946,904 and unrealized losses of $19,316. Of these securities, there were 84 securities that have been in an unrealized loss position for 12 months or greater with a fair value of $512,594 and unrealized losses of $18,130.

	Less than 12 Months		12 Months or More		Total	
December 31, 2018	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Fixed maturities						
U.S. treasury bonds	$ 125	$ (1)	$ —	$ —	$ 125	$ (1)
U.S. agency bonds – mortgage-backed	416,147	(6,624)	838,091	(29,449)	1,254,238	(36,073)
U.S. agency bonds – other	26,838	(27)	17,462	(521)	44,300	(548)
Non-U.S. government and supranational bonds	4,024	(252)	3,770	(954)	7,794	(1,206)
Asset-backed securities	74,801	(1,196)	5,793	(219)	80,594	(1,415)
Corporate bonds	1,052,765	(30,334)	286,542	(20,820)	1,339,307	(51,154)
Municipal bonds	20,379	(261)	36,906	(290)	57,285	(551)
Total temporarily impaired fixed maturities	$ 1,595,079	$ (38,695)	$ 1,188,564	$ (52,253)	$ 2,783,643	$ (90,948)

At December 31, 2018, there were approximately 348 securities in an unrealized loss position with a fair value of $2,783,643 and unrealized losses of $90,948. Of these securities, there were 103 securities that have been in an unrealized loss position for 12 months or greater with a fair value of $1,188,564 and unrealized losses of $52,253.

Other-than-temporarily impaired ("OTTI")

The Company performs quarterly reviews of its fixed maturities in order to determine whether declines in fair value below the amortized cost basis were considered other-than-temporary in accordance with applicable guidance. At June 30, 2019, we have determined that the unrealized losses on fixed maturities were primarily due to interest rates rising as well as the impact of foreign exchange rate changes on certain foreign currency denominated AFS fixed maturities since their date of purchase. All fixed maturity securities in the investment portfolio continue to pay the expected coupon payments under the contractual terms of the securities. Any credit-related impairment related to fixed maturity securities that the Company does not plan to sell and for which the Company is not more likely than not to be required to sell is recognized in net earnings, with the non-credit related impairment recognized in comprehensive earnings. Based on our analysis, our fixed maturity portfolio is of high credit quality and we believe we will recover the amortized cost basis of our fixed maturity securities. We continually monitor the credit quality of our fixed maturity investments to assess if it is probable that we will receive our contractual or estimated cash flows in the form of principal and interest. Therefore, there were no OTTI losses recognized in earnings on the fixed maturity portfolio in the three and six months ended June 30, 2019 and June 30, 2018, respectively.

The following summarizes the credit ratings of our fixed maturities:

Ratings[1] at June 30, 2019	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 365,953	$ 367,103	12.4%
U.S. agency bonds	1,002,176	1,008,275	33.9%
AAA	117,628	117,891	4.0%
AA+, AA, AA-	154,929	156,037	5.2%
A+, A, A-	784,152	800,009	26.9%
BBB+, BBB, BBB-	491,469	496,589	16.7%
BB+ or lower	25,900	25,694	0.9%
Total fixed maturities	$ 2,942,207	$ 2,971,598	100.0%

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

Ratings[(1)] at December 31, 2018	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 138,625	$ 139,072	3.4%
U.S. agency bonds	1,615,457	1,582,367	39.1%
AAA	137,172	135,119	3.3%
AA+, AA, AA-	183,142	178,674	4.4%
A+, A, A-	1,132,993	1,113,710	27.5%
BBB+, BBB, BBB-	866,043	848,348	21.0%
BB+ or lower	52,229	52,290	1.3%
Total fixed maturities	$ 4,125,661	$ 4,049,580	100.0%

(1) Based on Standard & Poor’s ("S&P"), or equivalent, ratings

b) Other Investments

The table below shows our portfolio of other investments:

	June 30, 2019		December 31, 2018	
	Fair value	% of Total fair value	Fair value	% of Total fair value
Investment in limited partnerships	$ 3,258	11.5%	$ 3,833	16.2%
Investment in special purpose vehicles focused on lending activities	23,373	82.2%	18,383	77.5%
Other	1,800	6.3%	1,500	6.3%
Total other investments	$ 28,431	100.0%	$ 23,716	100.0%

The Company has a remaining unfunded commitment on its investment in limited partnerships of approximately $340 at June 30, 2019 (December 31, 2018 - $414). The Company also has a remaining unfunded commitment on its investment in special purpose vehicles focused on lending activities of approximately $3,516 at June 30, 2019 (December 31, 2018 - $7,359).

c) Net Investment Income

Net investment income was derived from the following sources:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Fixed maturities	$ 23,522	$ 32,914	$ 49,742	$ 65,042
Funds withheld interest	5,169	54	9,706	113
Loan to related party	1,842	1,565	3,664	2,993
Cash and cash equivalents and other	1,316	800	1,591	1,168
	31,849	35,333	64,703	69,316
Investment expenses	(727)	(1,073)	(1,559)	(2,187)
Net investment income	$ 31,122	$ 34,260	$ 63,144	$ 67,129

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

d) Realized Gains (Losses) on Investment

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following provides an analysis of net realized gains (losses) on investment included in the Condensed Consolidated Statements of Income:

For the Three Months Ended June 30, 2019	Gross gains	Gross losses	Net
AFS fixed maturities	$ 25,436	$ (1,501)	$ 23,935
Other investments	151	—	151
Net realized gains (losses) on investment	$ 25,587	$ (1,501)	$ 24,086

For the Three Months Ended June 30, 2018	Gross gains	Gross losses	Net
AFS fixed maturities	$ 2,287	$ (2,921)	$ (634)
Other investments	220	—	220
Net realized gains (losses) on investment	$ 2,507	$ (2,921)	$ (414)

For the Six Months Ended June 30, 2019	Gross gains	Gross losses	Net
AFS fixed maturities	$ 27,860	$ (14,881)	$ 12,979
Other investments	151	(145)	6
Net realized gains (losses) on investment	$ 28,011	$ (15,026)	$ 12,985

For the Six Months Ended June 30, 2018	Gross gains	Gross losses	Net
AFS fixed maturities	$ 2,939	$ (4,698)	$ (1,759)
Other investments	1,702	—	1,702
Net realized gains (losses) on investment	$ 4,641	$ (4,698)	$ (57)

Proceeds from sales of AFS fixed maturities were $625,254 and $709,615 for the three and six months ended June 30, 2019, respectively (2018 - $36,315 and $116,555, respectively).

Net unrealized gains (losses) on investments, including those allocated to discontinued operations and classified as held for sale, were as follows:

	June 30, 2019	December 31, 2018
Fixed maturities	$ 29,392	$ (59,729)
Deferred income tax	(114)	(33)
Net unrealized gains (losses), net of deferred income tax	$ 29,278	$ (59,762)
Change, net of deferred income tax	$ 89,040	$ (81,651)

The portion of net unrealized gains (losses) recognized in net income (loss) for the three and six months ended June 30, 2019 and 2018 that are related to other investments still held at the end of the reporting period were as follows:

For the Three Months Ended June 30,	2019	2018
Net gains recognized in net income on other investments during the period	$ 151	$ 220
Net realized gains recognized on other investments divested during the period	(409)	(287)
Net unrealized losses recognized on other investments still held at end of period	$ (258)	$ (67)

For the Six Months Ended June 30,	2019	2018
Net gains recognized in net income on other investments during the period	$ 6	$ 1,702
Net realized gains recognized on other investments divested during the period	(411)	(879)
Net unrealized (losses) gains recognized on other investments still held at end of period	$ (405)	$ 823

(in thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

e) Restricted Cash and Cash Equivalents and Investments

We are required to maintain assets on deposit to support our reinsurance operations and to serve as collateral for our reinsurance liabilities under various reinsurance agreements. We also utilize trust accounts to collateralize business with our reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturities. The fair value of our restricted assets was as follows:

	June 30, 2019	December 31, 2018
Restricted cash – third party agreements	$ 21,299	$ 21,420
Restricted cash – related party agreements[1]	360,399	108,728
Total restricted cash	381,698	130,148
Restricted investments – in trust for third party agreements at fair value (*amortized cost: 2019 – $69,855; 2018 – $88,841)*	69,999	89,596
Restricted investments – in trust for related party agreements at fair value (am*ortized cost: 2019 – $2,655,683; 2018 – $3,870,731)*	2,689,179	3,804,215
Restricted investments – liability for investments purchased for related party agreements[1]	(266,946)	—
Total restricted investments	2,492,232	3,893,811
Total restricted cash and investments	$ 2,873,930	$ 4,023,959

(1) $266,946 of the restricted cash held for related party agreements as of June 30, 2019 was used to settle the liability for investments purchased of $298,939 as of June 30, 2019 subsequent to the quarter end.

5. Fair Value of Financial Instruments

(a) Fair Values of Financial Instruments

Fair Value Measurements — ASC Topic 820, *"Fair Value Measurements and Disclosures"* ("ASC 820") defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- *Level 1* — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples of assets and liabilities utilizing Level 1 inputs include: U.S. Treasury bonds;
- *Level 2* — Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data. Examples of assets and liabilities utilizing Level 2 inputs include: U.S. government-sponsored agency securities; non-U.S. government and supranational obligations; commercial mortgage-backed securities ("CMBS"); collateralized loan obligations ("CLO"); corporate and municipal bonds; and
- *Level 3* — Valuations based on models where significant inputs are not observable. The unobservable inputs reflect our own assumptions about assumptions that market participants would use. Examples of assets and liabilities utilizing Level 3 inputs include: an investment in preference shares of a start-up insurance producer.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3. We use prices and inputs that are current at the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified between levels.

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these in the Level 1 hierarchy. The Company receives the quoted market prices from a third party nationally recognized provider ("the Pricing Service"). When quoted market prices are unavailable, the Company utilizes the Pricing Service to determine an estimate of fair value. The fair value estimates are included in the Level 2 hierarchy. The Company will challenge any prices for its investments which are considered not to be representative of fair value. If quoted market prices and an estimate from the Pricing Service are unavailable, the Company produces an estimate of fair value based on dealer quotations for recent activity in positions with the same or similar characteristics to that being valued. The Company determines whether the fair value estimate is in the Level 2 or Level 3 hierarchy depending on the level of observable inputs available when estimating the fair value.

5. Fair Value of Financial Instruments (continued)

The Company bases its estimates of fair values for assets on the bid price as it represents what a third party market participant would be willing to pay in an orderly transaction.

ASC 825, *"Disclosure About Fair Value of Financial Instruments"*, requires all entities to disclose the fair value of their financial instruments, both assets and liabilities recognized and not recognized in the balance sheet, for which it is practicable to estimate fair value. The following describes the valuation techniques used by the Company to determine the fair value of financial instruments held at June 30, 2019 and December 31, 2018.

U.S. government and U.S. agency — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association and the Federal Farm Credit Banks Funding Corporation. The fair values of U.S. treasury bonds are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. We believe the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume. The fair values of U.S. agency bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. agency bonds are included in the Level 2 fair value hierarchy.

Non-U.S. government and supranational bonds — These securities are generally priced by independent pricing services. The Pricing Service may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the Pricing Service typically uses analytical models which may incorporate spreads, interest rate data and market/sector news. As the significant inputs used to price non-U.S. government and supranational bonds are observable market inputs, the fair values of non-U.S. government and supranational bonds are included in the Level 2 fair value hierarchy.

Asset-backed securities — These securities comprise CMBS and CLO originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CMBS and CLO are observable market inputs, the fair value of the CMBS and CLO securities are included in the Level 2 fair value hierarchy.

Corporate bonds — Bonds issued by corporations that on acquisition are rated BBB-/Baa3 or higher. These securities are generally priced by independent pricing services. The spreads are sourced from broker/dealers, trade prices and the new issue market. Where pricing is unavailable from pricing services, we obtain non-binding quotes from broker-dealers. As the significant inputs used to price corporate bonds are observable market inputs, the fair values of corporate bonds are included in the Level 2 fair value hierarchy.

Municipal bonds — Bonds issued by U.S. state and municipality entities or agencies. The fair values of municipal bonds are generally priced by independent pricing services. The pricing services typically use spreads obtained from broker-dealers, trade prices and the new issue market. As the significant inputs used to price the municipal bonds are observable market inputs, municipal bonds are included in the Level 2 fair value hierarchy.

Other investments — Includes unquoted investments comprised of investments in limited partnerships and other investments which includes investments in special purpose vehicles focused on lending activities as well as investments in start-up insurance entities. The fair values of the limited partnerships are determined by the fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals. The fair value of these investments are measured using the NAV practical expedient and therefore have not been categorized within the fair value hierarchy. If there is a reporting lag between the current period end and reporting date of the latest available fund valuation, we estimate fair values by starting with the most recently available valuation and adjusting for return estimates as well as any subscriptions and distributions that took place during the current period. The fair value of the investments in special purpose vehicles focused on lending activities is initially at cost which approximates fair value. In some cases this initial period could be more than a year depending on the nature of the investment. Currently, all of our investments in special purpose vehicles focused on lending activities are held at cost which approximates fair value. In subsequent measurement periods, the fair values of these investments may be determined using an internally developed discounted cash flow model. As the significant inputs used to price these securities are unobservable, the fair value of these investments are classified as Level 3. The fair value of the remaining other investments, primarily start-up insurance entities, was determined using recent private market transactions and as such, the fair value is included in the Level 3 fair value hierarchy.

Cash and cash equivalents (including restricted amounts), accrued investment income, reinsurance balances receivable, and certain other assets and liabilities — The carrying values reported in the Condensed Consolidated Balance Sheets for these financial instruments approximate their fair value due to their short term nature and are classified as Level 2.

Loan to related party — The carrying value reported in the Condensed Consolidated Balance Sheets for this financial instrument approximates its fair value and it is included in the Level 2 hierarchy.

Senior notes — The amount reported in the Condensed Consolidated Balance Sheets for these financial instruments represents the carrying value of the notes. The fair values are based on indicative market pricing obtained from a third-party service provider and as such, are included in the Level 2 hierarchy.

(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

(b) Fair Value Hierarchy

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in ASC 820. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the ASC 820 hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Company's significant market assumptions.

At June 30, 2019 and December 31, 2018, we classified our financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
AFS fixed maturities					
U.S. treasury bonds	$ 367,103	$ —	$ —	$ —	$ 367,103
U.S. agency bonds – mortgage-backed	—	956,397	—	—	956,397
U.S. agency bonds – other	—	51,878	—	—	51,878
Non-U.S. government and supranational bonds	—	29,336	—	—	29,336
Asset-backed securities	—	221,066	—	—	221,066
Corporate bonds	—	1,332,727	—	—	1,332,727
Municipal bonds	—	13,091	—	—	13,091
Other investments	—	—	25,173	3,258	28,431
Total	$ 367,103	$ 2,604,495	$ 25,173	$ 3,258	$ 3,000,029
As a percentage of total assets	8.0%	56.6%	0.5%	0.1%	65.2%

December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
AFS fixed maturities					
U.S. treasury bonds	$ 139,072	$ —	$ —	$ —	$ 139,072
U.S. agency bonds – mortgage-backed	—	1,453,134	—	—	1,453,134
U.S. agency bonds – other	—	129,233	—	—	129,233
Non-U.S. government and supranational bonds	—	10,072	—	—	10,072
Asset-backed securities	—	215,082	—	—	215,082
Corporate bonds	—	1,104,975	—	—	1,104,975
Other investments	—	—	19,883	3,833	23,716
Total	$ 139,072	$ 2,912,496	$ 19,883	$ 3,833	$ 3,075,284
As a percentage of total assets	2.6%	55.1%	0.4%	0.1%	58.2%

The Company utilizes the Pricing Service to assist in determining the fair value of our investments; however, management is ultimately responsible for all fair values presented in the Company's financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices and pricing of assets and liabilities and pricing sources. The Company analyzes and reviews the information and prices received from the Pricing Service to ensure that the prices represent a reasonable estimate of the fair value.

The Pricing Service was utilized to estimate fair value measurements for approximately 99.8% and 99.9% of our fixed maturities at June 30, 2019 and December 31, 2018, respectively. The Pricing Service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturities other than U.S. treasury bonds generally do not trade actively on a daily basis, the Pricing Service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing and these have been classified as Level 2.

(in thousands of U.S. dollars, except share and per share data)

5. Fair Value of Financial Instruments (continued)

At June 30, 2019 and December 31, 2018, approximately 0.2% and 0.1%, respectively, of the Level 2 fixed maturities are valued using the market approach. At June 30, 2019 and December 31, 2018, one security or $5,723 and $5,676, respectively, of Level 2 fixed maturities, was priced using a quotation from a broker and/or custodian as opposed to the Pricing Service due to lack of information available. At June 30, 2019 and December 31, 2018, we have not adjusted any pricing provided to us based on the review performed by our investment managers.

There were no transfers between Level 1 and Level 2 and there were no transfers to or from Level 3 during the periods represented by these Condensed Consolidated Financial Statements.

(c) Level 3 Financial Instruments

At June 30, 2019, the Company has other investments of $25,173 (December 31, 2018 - $19,883) which includes investments in special purpose vehicles focused on lending activities as well as investments in start-up insurance entities. The fair value of the investments in special purpose vehicles focused on lending activities is initially at cost which approximates fair value. In subsequent measurement periods, the fair values of these investments may be determined using an internally developed discounted cash flow model. The fair value of investments in start-up insurance entities was determined using recent private market transactions. Due to the significant unobservable inputs in these valuations, the Company includes the estimate of the fair value of each of these other investments as Level 3.

(d) Financial Instruments not measured at Fair Value

The following table presents the fair value and carrying value or principal amount of the financial instruments not measured at fair value:

	June 30, 2019		December 31, 2018	
Financial Assets	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
HTM – corporate bonds	$ —	$ —	$ 957,845	$ 940,727
HTM – municipal bonds	—	—	57,836	57,285
Total financial assets	$ —	$ —	$ 1,015,681	$ 998,012
Financial Liabilities				
Senior Notes - MHLA – 6.625%	$ 110,000	$ 70,400	$ 110,000	$ 75,240
Senior Notes - MHNC – 7.75%	152,500	129,503	152,500	143,960
Total financial liabilities	$ 262,500	$ 199,903	$ 262,500	$ 219,200

(in thousands of U.S. dollars, except share and per share data)

6. Discontinued Operations

Sale of U.S. Treaty Reinsurance operations

As described in "*Note 1. Basis of Presentation*", the Company entered into a Renewal Rights transaction with TransRe on August 29, 2018. The Company continued to earn premiums and remain liable for losses occurring subsequent to August 29, 2018 for any policies in force prior to and as of August 29, 2018, through December 27, 2018, the date the sale of Maiden US was closed pursuant to the U.S. Sale Agreement with Enstar.

Maiden US was a substantial portion of our Diversified Reinsurance segment, therefore, the Company concluded that the sale represented a strategic shift that has a major effect on its ongoing operations and financial results and that all of the held for sale criteria have been met. Accordingly, all transactions related to the U.S. treaty reinsurance operations are reported and presented as part of discontinued operations. Furthermore, all of the assets and liabilities related to the sale of the U.S. treaty reinsurance operations are removed from the Condensed Consolidated Balance Sheets of the Company and any remaining assets and liabilities related to the retrocession agreement and true up of sale consideration, are classified as held for sale in the Condensed Consolidated Balance Sheets as at June 30, 2019 and December 31, 2018. The operations of the Company's U.S. treaty reinsurance business for the three and six months ended June 30, 2018 have been reclassified as part of the results from discontinued operations in the Condensed Consolidated Statements of Income.

The classes of assets and liabilities to be sold and classified as held for sale as of June 30, 2019 and December 31, 2018 comprise:

	June 30, 2019	December 31, 2018
ASSETS		
Fixed maturities, available-for-sale, at fair value	$ —	$ 63,560
Restricted cash and cash equivalents	—	6,113
Reinsurance balances receivable, net	689	689
Reinsurance recoverable on unpaid losses	65,320	70,158
Other assets	—	33,955
Total assets held for sale	$ 66,009	$ 174,475
LIABILITIES		
Reserve for loss and loss adjustment expenses	$ 65,320	$ 76,521
Accrued expenses and other liabilities	689	79,440
Total liabilities held for sale	$ 66,009	$ 155,961

The following table summarizes the major classes of line items constituting the results from discontinued operations for the three and six months ended June 30, 2019 and 2018, respectively, presented in the Condensed Consolidated Statements of Income:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Gross premiums written	$ —	$ 132,710	$ —	$ 362,022
Net premiums written	$ —	$ 124,560	$ —	$ 351,242
Net premiums earned	$ —	$ 162,958	$ —	$ 331,577
Other revenue	—	—	62	—
Net investment income	—	10,053	—	20,054
Net loss and loss adjustment expenses	6,363	(121,553)	6,363	(241,671)
Commission and other acquisition expenses	—	(35,965)	—	(77,951)
General and administrative expenses	(815)	(4,714)	(1,832)	(8,993)
Amortization of intangible assets	—	(462)	—	(924)
Income from discontinued operations before income taxes	5,548	10,317	4,593	22,092
Loss on disposal of discontinued operations	(23,077)	—	(25,474)	—
Income tax expense	(1,169)	(2,102)	(1,169)	(3,882)
(Loss) income from discontinued operations, net of income tax	$ (18,698)	$ 8,215	$ (22,050)	$ 18,210

As described in *"Note 13. Subsequent Events"*, as a result of the Settlement and Commutation Agreement entered into by Maiden and Enstar on July 31, 2019, Maiden recorded an additional loss from discontinued operations of $16,715 for the three and six months ended June 30, 2019.

(in thousands of U.S. dollars, except share and per share data)

7. Long-Term Debt

Senior Notes

At June 30, 2019 and December 31, 2018, both Maiden Holdings and its wholly owned subsidiary, Maiden NA, have outstanding publicly-traded debt offering of senior notes which were issued in 2016 and 2013, respectively ("Senior Notes"). The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

The following table details the Company's Senior Notes issuances outstanding at June 30, 2019 and December 31, 2018:

June 30, 2019	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,588	4,112	7,700
Carrying value	$ 106,412	$ 148,388	$ 254,800

December 31, 2018	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,610	4,196	7,806
Carrying value	$ 106,390	$ 148,304	$ 254,694
Other details:			
Original debt issuance costs	$ 3,715	$ 5,054	
Maturity date	June 14, 2046	Dec 1, 2043	
Earliest redeemable date (for cash)	June 14, 2021	Dec 1, 2018	
Coupon rate	6.625%	7.75%	
Effective interest rate	7.07%	8.04%	

The interest expense incurred on the Senior Notes for the three and six months ended June 30, 2019 was $4,777 and $9,553, respectively (2018 - $4,776 and $9,553, respectively) of which $1,342 was accrued at both June 30, 2019 and December 31, 2018, respectively. The issuance costs related to the Senior Notes were capitalized and are being amortized over the effective life of the Senior Notes. The amortization expense for the three and six months ended June 30, 2019 was $53 and $106, respectively (2018 - $53 and $105, respectively).

Under the terms of the 2013 Senior Notes, the 2013 Senior Notes can be redeemed, in whole or in part after December 1, 2018 at Maiden NA's option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden NA is required to give at least thirty and not more than sixty days notice prior to the redemption date. However, as part of the Company's remediation measures to improve its capital ratios and adequacy, Maiden has voluntarily undertaken with the BMA to not voluntarily redeem the 2013 Senior Notes without its prior written approval.

8. Related Party Transactions

The Founding Shareholders of the Company are Michael Karfunkel, George Karfunkel and Barry Zyskind. Michael Karfunkel passed away on April 27, 2016. Based on each individual's most recent public filing, Leah Karfunkel (wife of Michael Karfunkel) owns or controls approximately 8.0% of the outstanding shares of the Company and Barry Zyskind (the Company's non-executive chairman) owns or controls approximately 7.5% of the outstanding shares of the Company. George Karfunkel owns or controls less than 5.0% of the outstanding shares of the Company. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the president, chief executive officer and chairman of AmTrust. Leah Karfunkel, George Karfunkel and Barry Zyskind own or control approximately 53.6% of the ownership interests of Evergreen Parent LP, the ultimate parent of AmTrust. AmTrust owns 1.5% of the issued and outstanding shares of National General Holdings Corporation ("NGHC"), and Leah Karfunkel, individually, through a grantor retained annuity trust and through the Michael Karfunkel 2005 Family Trust (which is controlled by Leah Karfunkel) owns 39.4% of the outstanding common shares of NGHC. Barry Zyskind is a director of NGHC.

(in thousands of U.S. dollars, except share and per share data)

8. Related Party Transactions (continued)

AmTrust

The following describes transactions between the Company and AmTrust:

AmTrust Quota Share

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended ("Master Agreement"), by which they caused Maiden Bermuda, a wholly owned subsidiary of the Company, and AmTrust's Bermuda reinsurance subsidiary, AmTrust International Insurance, Ltd. ("AII"), to enter into the AmTrust Quota Share by which AII retrocedes to Maiden Bermuda an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance and 40% of losses. The Master Agreement further provided that AII receives a ceding commission of 31% of ceded written premiums.

On June 11, 2008, Maiden Bermuda and AII amended the AmTrust Quota Share to add Retail Commercial Package Business to the Covered Business. AII receives a ceding commission of 34.375% on Retail Commercial Package Business. On July 1, 2016, the agreement was renewed through June 30, 2019.

Effective July 1, 2018, the amount AmTrust Europe Limited ("AEL") cedes to the Company was reduced to 20%. Additionally, for the Specialty Program portion of Covered Business only, AII will be responsible for ultimate net loss otherwise recoverable from Maiden Bermuda to the extent that the loss ratio to Maiden Bermuda, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95% ("Loss Corridor"). Above and below the Loss Corridor, Maiden Bermuda will continue to reinsure losses at its proportional 40% share of the AmTrust Quota Share.

Effective January 1, 2019, Maiden Bermuda and AmTrust entered into the Partial Termination Amendment which amended the AmTrust Quota Share that was in-force and set to expire on June 30, 2019. The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust’s Small Commercial Business, comprising workers’ compensation, general liability, umbrella liability, professional liability (including cyber liability) insurance coverages, and U.S. Specialty Risk and Extended Warranty ("Terminated Business") as of December 31, 2018. Under the Partial Termination Amendment, the ceding commission payable by Maiden Bermuda for its remaining in-force business immediately prior to January 1, 2019 increased by five percentage points with respect to in-force remaining business (excluding Terminated Business) and related unearned premium as of January 1, 2019. Subsequently, on January 30, 2019, Maiden Bermuda and AII agreed to terminate the AmTrust Quota Share on a run-off basis effective as of January 1, 2019.

The Partial Termination Amendment resulted in Maiden Bermuda returning approximately $647,980 in unearned premium to AII, or approximately $436,760 net of applicable ceding commission and brokerage as calculated during the second quarter of 2019. During January 2019, as part of this amendment, the Company transferred cash and investments of $480,000 to AII based on provisional estimates. The excess of estimated unearned premium, net of applicable ceding commission and brokerage over the actual amount of approximately $43,240 was returned by AII to Maiden Bermuda during the second quarter of 2019.

European Hospital Liability Quota Share

Effective April 1, 2011, Maiden Bermuda, entered into a quota share reinsurance contract with AEL and AmTrust International Underwriters DAC ("AIU DAC"), both wholly owned subsidiaries of AmTrust. Pursuant to the terms of the contract, Maiden Bermuda assumed 40% of the premiums and losses related to policies classified as European Hospital Liability, including associated liability coverages and policies covering physician defense costs, written or renewed on or after April 1, 2011. The contract also covers policies written or renewed on or before March 31, 2011, but only with respect to losses that occur, accrue or arise on or after April 1, 2011. The maximum limit of liability attaching shall be €5,000 (€10,000 effective January 1, 2012) or currency equivalent (on a 100% basis) per original claim for any one original policy. Maiden Bermuda will pay a ceding commission of 5%.

Effective July 1, 2016, the contract was amended such that Maiden Bermuda assumes from AEL 32.5% of the premiums and losses of all policies written or renewed on or after July 1, 2016 until June 30, 2017 and 20% of all policies written or renewed on or after July 1, 2017. Subsequently, on January 30, 2019, Maiden Bermuda, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019.

On January 30, 2019, in connection with the termination of the reinsurance agreements described above, the Company and AmTrust entered into a second amendment to the Master Agreement between the parties, originally entered into on July 3, 2007, to remove the provisions requiring AmTrust to reinsure business with the Company.

The table below shows the effect of both of these quota share arrangements with AmTrust on the Company's consolidated results of operations for the three and six months ended June 30, 2019 and 2018:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Gross and net premiums written	$ (9,127)	$ 491,485	$ (585,604)	$ 1,065,413
Net premiums earned	111,833	477,202	269,963	981,001
Net loss and LAE	(109,091)	(351,954)	(247,035)	(696,483)
Commission expenses	(40,111)	(148,500)	(98,490)	(304,350)

8. Related Party Transactions (continued)

Collateral provided to AmTrust

a) AmTrust Quota Share Reinsurance Agreement

In order to provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of AmTrust's insurance subsidiaries, has established trust accounts ("Trust Accounts") for their benefit. Maiden Bermuda has agreed to provide appropriate collateral to secure its proportional share under the AmTrust Quota Share of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral. This collateral may be in the form of (a) assets loaned by Maiden Bermuda to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties, (b) assets transferred by Maiden Bermuda for deposit into the Trust Accounts, (c) a letter of credit obtained by Maiden Bermuda and delivered to an AmTrust subsidiary on AII's behalf, or (d) premiums withheld by an AmTrust subsidiary at Maiden Bermuda's request in lieu of remitting such premiums to AII. Maiden Bermuda may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Bermuda's proportionate share of its obligations under the AmTrust Quota Share. Maiden Bermuda satisfied its collateral requirements under the AmTrust Quota Share with AII as follows:

- by lending funds in the amount of $167,975 at June 30, 2019 and December 31, 2018 pursuant to a loan agreement entered into between those parties. Advances under the loan are secured by promissory notes. This loan was assigned by AII to AmTrust effective December 31, 2014 and is carried at cost. Effective December 18, 2017, interest is payable at a rate equivalent to the Federal Funds Effective Rate ("Fed Funds") plus 200 basis points per annum. Please see *"Note 4. (c) Investments"* for the total amount of interest earned from this loan. On January 30, 2019, in connection with the termination of the reinsurance agreements described above, the Company and AmTrust entered into an amendment to the Loan Agreement between Maiden Bermuda, AmTrust and AII, originally entered into on November 16, 2007. The Amendment to the Loan Agreement provides for the extension of the maturity date to January 1, 2025 and acknowledges that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement;
- effective December 1, 2008, the Company entered into a Reinsurer Trust Assets Collateral agreement to provide to AII sufficient collateral to secure its proportional share of AII's obligations to the U.S. AmTrust subsidiaries. The amount of the collateral at June 30, 2019 was approximately $2,521,158 (December 31, 2018 - $3,650,418) and the accrued interest was $13,203 (December 31, 2018 - $23,283). Please refer to *"Note 4. (e) Investments"* for additional information; and
- on January 11, 2019, a portion of the existing trust accounts used for collateral on the AmTrust Quota Share were converted to a funds withheld arrangement. The Company transferred cash and investments of $575,000 to AmTrust as a funds withheld receivable which bears an interest rate of 3.5%, subject to annual adjustment. At June 30, 2019, the balance of funds withheld was $575,000 and the accrued interest was $5,017. The interest income on the funds withheld receivable was approximately $5,017 and $9,443 for the three and six months ended June 30, 2019, respectively.

b) European Hospital Liability Quota Share

Collateral has been provided to both AEL and AIU DAC; i) for AEL, the amount of the collateral in reinsurance trust accounts at June 30, 2019 was approximately $248,878 (December 31, 2018 - $249,948) and the accrued interest was $2,022 (December 31, 2018 - $1,976). Please refer to *"Note 4. (e) Investments"* for additional information; and ii) in January 2019, Maiden Bermuda transferred cash of €45,113 ($51,244) to AIU DAC as a funds withheld receivable. AIU DAC pays Maiden a fixed annual interest rate of 0.50%, on the average daily Funds Withheld balance, commencing on January 24, 2019, subject to annual adjustment. At June 30, 2019, the balance of funds withheld was $58,123 and the accrued interest was $127. The interest income on the funds withheld receivable was approximately $72 and $125 for the three and six months ended June 30, 2019, respectively.

Brokerage Agreement

Effective July 1, 2007, the Company entered into a reinsurance brokerage agreement with AII Reinsurance Broker Ltd. ("AIIB"), a wholly owned subsidiary of AmTrust. Pursuant to the brokerage agreement, AIIB provides brokerage services relating to the AmTrust Quota Share and the European Hospital Liability Quota Share for a fee equal to 1.25% of the premium assumed. AIIB is not the Company's exclusive broker. The agreement may be terminated upon 30 days written notice by either party. Maiden Bermuda recorded approximately $1,398 and $3,375 of reinsurance brokerage expense for the three and six months ended June 30, 2019, respectively (2018 - $5,966 and $12,263, respectively) and deferred reinsurance brokerage of $3,502 at June 30, 2019 (December 31, 2018 - $14,199) as a result of this agreement. The brokerage agreement was terminated as of March 15, 2019.

Asset Management Agreement

Effective July 1, 2007, the Company entered into an asset management agreement with AII Insurance Management Limited ("AIIM"), a wholly owned subsidiary of AmTrust, pursuant to which AIIM has agreed to provide investment management services to the Company. Effective January 1, 2018, AIIM provides investment management services for a quarterly fee of 0.02125% of the average value of the account. Prior to that date, the fee was payable at a rate of 0.0375%. The agreement may be terminated upon 30 days written notice by either party. The Company recorded approximately $678 and $1,453 of investment management fees for the three and six months ended June 30, 2019, respectively, (2018 - $1,033 and $2,082, respectively) under this agreement.

NGHC Quota Share

Maiden Bermuda, effective March 1, 2010, had a 50% participation in the NGHC Quota Share, by which it received 25% of net premiums of the personal lines automobile business and assumed 25% of the related net losses. On August 1, 2013, the Company received notice from NGHC of the termination of the NGHC Quota Share effective on that date. The Company and NGHC mutually agreed that the termination is on a run-off basis.

(in thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses

The Company uses both historical experience and industry-wide loss development factors to provide a reasonable basis for estimating future losses. In the future, certain events may be beyond the control of management, such as changes in law, judicial interpretations of law, and inflation, which may favorably or unfavorably impact the ultimate settlement of the Company's loss and LAE reserves.

The anticipated effect of inflation is implicitly considered when estimating liabilities for loss and LAE. While anticipated changes in claim costs due to inflation are considered in estimating the ultimate claim costs, changes in average severity of claims are caused by a number of factors that vary with the individual type of policy written. Ultimate losses are projected based on historical trends adjusted for implemented changes in underwriting standards, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

The reserving process begins with the collection and analysis of paid losses and incurred claims data for each of our contracts. While reserves are reviewed on a contract by contract basis, paid losses and incurred claims data is also aggregated into reserving segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses incepted). The Company in some cases uses underwriting year information to analyze our Diversified Reinsurance segment and subsequently allocate reserves to the respective accident years. Our reserve for loss and LAE comprises:

	June 30, 2019	December 31, 2018
Reserve for reported loss and LAE	$ 1,533,380	$ 1,571,217
Reserve for losses incurred but not reported ("IBNR")	1,517,885	1,484,759
Reserve for loss and LAE	$ 3,051,265	$ 3,055,976

The following table represents a reconciliation of our beginning and ending gross and net loss and LAE reserves:

For the Six Months Ended June 30,	2019	2018
Gross loss and LAE reserves, January 1	$ 3,055,976	$ 2,386,722
Less: reinsurance recoverable on unpaid losses, January 1	1,743	24,883
Net loss and LAE reserves, January 1	3,054,233	2,361,839
Net incurred losses related to:		
Current year	240,978	685,229
Prior years	33,272	37,978
	274,250	723,207
Net paid losses related to:		
Current year	(3,186)	(151,527)
Prior years	(272,136)	(401,039)
	(275,322)	(552,566)
Effect of foreign exchange rate movements	(3,880)	(12,308)
Net loss and LAE reserves, June 30	3,049,281	2,520,172
Reinsurance recoverable on unpaid losses, June 30	1,984	21,803
Gross loss and LAE reserves, June 30	$ 3,051,265	$ 2,541,975

Commencing in 2015, Maiden Bermuda entered into a number of retrocessional quota share agreements with a highly rated global insurer to cede certain lines of business from both of our reportable segments. Effective July 1, 2018, Maiden Bermuda commuted all of these retrocessional quota share agreements.

Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves in previous calendar years. The development reflects changes in management's best estimate of the ultimate losses under the relevant reinsurance policies after review of changes in actuarial assessments. During the three and six months ended June 30, 2019, the Company recognized net adverse prior year loss development of $26,014 and $33,272, respectively (2018 - adverse $28,193 and $37,978, respectively).

In the Diversified Reinsurance segment, the net favorable prior year loss development was $1,052 and $2,148 for the three and six months ended June 30, 2019, respectively (2018 - $181 favorable and $1,085 adverse, respectively) primarily due to favorable prior year reserve development in German Auto programs as well as facultative reinsurance run-off lines.

In the AmTrust Reinsurance segment, the net adverse prior year loss development was $27,090 and $35,216 for the three and six months ended June 30, 2019, respectively (2018 - $28,374 and $36,893, respectively). The adverse development in the three and six months ended June 30, 2019 was primarily due to Commercial Auto Liability in accident years 2015 to 2018, partly offset by favorable development in Workers Compensation. The adverse development for the second quarter of 2018 primarily came from Workers Compensation and General Liability while the adverse development for the six months ended June 30, 2018 was a combination of the second quarter development and adverse development from the first quarter of 2018 largely from General Liability, with a smaller contribution from Commercial Auto liability primarily driven by accident years 2015 and 2016.

(in thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

The Other category had net favorable prior year loss development of $24 and adverse development of $204 for the three and six months ended June 30, 2019, respectively, (2018 - $0) due to increased reserves in the run-off of the NGHC Quota Share.

10. Commitments and Contingencies

There are no material changes from the commitments, contingencies and concentrations previously disclosed in the Company's Form 10-K for the year ended December 31, 2018, other than disclosures associated with the adoption of FASB Topic 842, Leases as outlined below. Please see "*Note 2. Significant Accounting Policies*" for additional information related to the adoption of FASB Topic 842, Leases.

a) Operating Lease Commitments

The Company leases office spaces, an executive apartment, office equipment and company vehicles under various operating leases expiring in various years through 2022. The Company did not enter into any new lease arrangements during the three and six months ended June 30, 2019. The Company's leases are all currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, the Company recognized a lease liability and a right-of-use asset in the Company's Condensed Consolidated Balance Sheets at the present value of the remaining lease payments until expiration. As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 10%, representing its secured incremental borrowing rate, in calculating the present value of the lease liability. The exercise of lease renewal options is at the sole discretion of the Company and none of our current lease renewal options are deemed to be reasonably certain to be exercised. The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company's weighted-average remaining lease term is 3.0 years.

The Company's future lease obligations as at June 30, 2019 of approximately $2,878 was calculated based on the present value of future annual rental commitments excluding taxes, insurance and other operating costs for non-cancellable operating leases discounted using the Company's secured incremental borrowing rate. This amount has been recognized on the Company's Condensed Consolidated Balance Sheets as a lease liability of $2,878 within accrued expenses and other liabilities with an equivalent amount for the right-of-use asset presented as part of other assets. However, under the guidance, the Company has continued to recognize the related leasing expense on a straight-line basis over the lease term in the Company's Condensed Consolidated Statements of Income. The Company's total lease expense for the three and six months ended June 30, 2019 was $389 and $810, respectively (2018 - $516 and $1,131, respectively) which was recognized within net income consistent with the accounting treatment in prior periods under *Topic 840*. The operating cash outflows from operating leases included in the measurement of the lease liability during the three and six months ended June 30, 2019 was $340 and $681, respectively. At June 30, 2019, the scheduled maturity of the Company's operating lease liabilities are expected to be as follows:

	June 30, 2019
Remainder of 2019	$ 669
2020	1,171
2021	741
2022	741
Discount for present value	(444)
Total discounted operating lease liabilities	$ 2,878

At December 31, 2018, the Company's future minimum lease payments under non-cancellable operating leases were expected to be as follows:

	December 31, 2018
2019	$ 1,442
2020	1,228
2021	772
2022	750
	$ 4,192

b) Legal Proceedings

Except as noted below, the Company is not a party to any material legal proceedings. From time to time, the Company is subject to routine legal proceedings, including arbitrations, arising in the ordinary course of business. These legal proceedings generally relate to claims asserted by or against the Company in the ordinary course of insurance or reinsurance operations. Based on the Company's opinion, the eventual outcome of these legal proceedings is not expected to have a material adverse effect on its financial condition or results of operations.

(in thousands of U.S. dollars, except share and per share data)

10. Commitments and Contingencies (continued)

In April 2009, the Company learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Bermuda, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistle-blowing in violation of the whistle-blower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Bermuda, back pay and legal fees incurred. On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin's claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011. On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014, and the hearings concluded in November 2018. The Company believes that it had good and sufficient reasons for terminating Mr. Turin's employment and that the claim is without merit. The Company will continue to vigorously defend itself against this claim.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019, alleging that Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) by making misrepresentations about the Company and its business, including the Company's risk management and underwriting policies and practices. Plaintiffs further claim that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. Maiden has not yet been served with the complaint, but believe the claims are without merit and intends to vigorously defend itself. There exist and the Company expects additional lawsuits to be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial conditions.

11. Earnings per Common Share

The following is a summary of the elements used in calculating basic and diluted earnings per common share:

For the Three Months Ended June 30,	2019	2018
Numerator:		
Net income (loss) from continuing operations	$ 3,285	$ (5,535)
Net income from continuing operations attributable to noncontrolling interests	—	(47)
Net income (loss) attributable to Maiden from continuing operations	3,285	(5,582)
Dividends on preference shares – Series A, C and D	—	(8,546)
Amount allocated to participating common shareholders(1)	—	(4)
Income (loss) attributable to Maiden common shareholders, before discontinued operations	3,285	(14,132)
(Loss) income from discontinued operations, net of income tax expense	(18,698)	8,215
Numerator for basic and diluted EPS - net loss allocated to Maiden common shareholders	$ (15,413)	$ (5,917)
Denominator:		
Weighted average number of common shares – basic	83,058,123	83,126,204
Potentially dilutive securities:		
Share options and restricted share units	17,033	—
Adjusted weighted average number of common shares – diluted	83,075,156	83,126,204
Basic and diluted earnings (loss) from continuing operations per share - Maiden common shareholders	$ 0.04	$ (0.17)
Basic and diluted (loss) earnings from discontinued operations per share - Maiden common shareholders	(0.23)	0.10
Basic and diluted loss per share attributable to Maiden common shareholders:	$ (0.19)	$ (0.07)

(in thousands of U.S. dollars, except share and per share data)

11. Earnings per Common Share (continued)

For the Six Months Ended June 30,	2019	2018
Numerator:		
Net (loss) income from continuing operations	$ (29,999)	$ 6,813
Net income from continuing operations attributable to noncontrolling interests	—	(118)
Net (loss) income attributable to Maiden from continuing operations	(29,999)	6,695
Dividends on preference shares – Series A, C and D	—	(17,091)
Amount allocated to participating common shareholders[(1)]	—	(9)
Loss attributable to Maiden common shareholders, before discontinued operations	(29,999)	(10,405)
(Loss) income from discontinued operations, net of income tax expense	(22,050)	18,210
Net (loss) income allocated to Maiden common shareholders	$ (52,049)	$ 7,805
Denominator:		
Weighted average number of common shares – basic and diluted	83,008,888	83,083,545
Basic and diluted loss from continuing operations per share attributable to Maiden common shareholders	$ (0.36)	$ (0.13)
Basic and diluted (loss) earnings from discontinued operations per share attributable to Maiden common shareholders	(0.27)	0.22
Basic and diluted (loss) earnings per share attributable to Maiden common shareholders:	$ (0.63)	$ 0.09

(1) This represents earnings allocated to the holders of non-vested restricted shares issued to the Company's employees under the Amended and Restated 2007 Share Incentive Plan.

(2) Please refer to *"Note 14. Shareholders' Equity"* and *"Note 15. Share Compensation and Pension Plans"* of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, for the terms and conditions of each of these anti-dilutive instruments.

At June 30, 2019, 518,029 share options and restricted share units (2018 - 571,143) were excluded from diluted earnings per common share as they were anti-dilutive.

12. Shareholders' Equity

a) Common Shares

At June 30, 2019, the aggregate authorized share capital of the Company is 150,000,000 shares from which the Company has issued 88,079,315 common shares, of which 83,066,135 common shares are outstanding, and 18,600,000 preference shares, all of which are outstanding. The remaining 43,320,685 shares are undesignated at June 30, 2019. For further discussion on the components of Shareholders' Equity, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

b) Treasury Shares

During the six months ended June 30, 2019, the Company repurchased a total of 23,220 (2018 - 29,391) shares at an average price per share of $0.78 (2018 - $6.57) from employees, which represent withholdings in respect of tax obligations on the vesting of restricted shares and performance based shares.

(in thousands of U.S. dollars, except share and per share data)

12. Shareholders' Equity (continued)

c) Accumulated Other Comprehensive Gain (Loss)

The following tables set forth financial information regarding the changes in the balances of each component of AOCI:

For the Three Months Ended June 30, 2019	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ 1,714	$ (1,934)	$ (220)
Other comprehensive income (loss) before reclassifications	42,979	(6,192)	36,787
Amounts reclassified from AOCI to net loss, net of tax	(15,415)	—	(15,415)
Net current period other comprehensive income (loss)	27,564	(6,192)	21,372
Ending balance, Maiden shareholders	$ 29,278	$ (8,126)	$ 21,152

For the Three Months Ended June 30, 2018	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (46,429)	$ (16,523)	$ (62,952)
Other comprehensive (loss) income before reclassifications	(50,423)	15,605	(34,818)
Amounts reclassified from AOCI to net income, net of tax	745	—	745
Net current period other comprehensive (loss) income	(49,678)	15,605	(34,073)
Ending balance	(96,107)	(918)	(97,025)
Less: AOCI attributable to noncontrolling interest	—	(66)	(66)
Ending balance, Maiden shareholders	$ (96,107)	$ (852)	$ (96,959)

For the Six Months Ended June 30, 2019	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ (59,762)	$ (5,932)	$ (65,694)
Other comprehensive income (loss) before reclassifications	91,967	(2,194)	89,773
Amounts reclassified from AOCI to net income, net of tax	(2,927)	—	(2,927)
Net current period other comprehensive income (loss)	89,040	(2,194)	86,846
Ending balance, Maiden shareholders	$ 29,278	$ (8,126)	$ 21,152

For the Six Months Ended June 30, 2018	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	$ 21,889	$ (8,583)	$ 13,306
Other comprehensive (loss) income before reclassifications	(117,251)	7,665	(109,586)
Amounts reclassified from AOCI to net income, net of tax	(745)	—	(745)
Net current period other comprehensive (loss) income	(117,996)	7,665	(110,331)
Ending balance	(96,107)	(918)	(97,025)
Less: AOCI attributable to noncontrolling interest	—	(66)	(66)
Ending balance, Maiden shareholders	$ (96,107)	$ (852)	$ (96,959)

13. Subsequent Events

a) LPT/ADC MTA with Enstar

Effective on July 31, 2019, the Company and Enstar entered into the LPT/ADC Agreement pursuant to the LPT/ADC MTA entered into on March 1, 2019. Under the LPT/ADC Agreement, Cavello, Enstar's Bermuda reinsurance affiliate, will assume liabilities for the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a $2,178,535 retention up to $600,000, in exchange for a retrocession premium of $445,000. The $2,178,535 retention will be subject to adjustment for paid losses subsequent to December 31, 2018.

The LPT/ADC Agreement will provide Maiden Bermuda with $155,000 in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and therefore will be accounted for as retroactive reinsurance. Cumulative ceded losses exceeding $445,000 would result in a deferred gain which would be recognized over the settlement period in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable. Consequently, cumulative adverse development subsequent to December 31, 2018 may result in significant losses from operations until periods when the deferred gain is recognized as a benefit to earnings.

13. Subsequent Events (continued)

Under the terms of the agreement, the covered losses associated with the commutation with AmTrust, as discussed below in *(c) Commutation and Release Agreement - AmTrust Quota Share*, are eligible to be covered but recoverable only when such losses are paid or settled by AII or its affiliates, provided such losses and other related amounts shall not exceed $312,786.

Pursuant to the terms of the LPT/ADC Agreement, Maiden Bermuda, Cavello and AmTrust and certain of its affiliated companies have entered into a Master Collateral Agreement (“MCA”) to define and enable the operation of collateral provided under the AmTrust Quota Share. Under the MCA, Cavello, on behalf of Maiden Bermuda, will provide letters of credit to AmTrust in an amount representing Cavello’s obligations under the LPT/ADC Agreement. As these letters of credit will replace other collateral currently provided directly by Maiden Bermuda to AmTrust, the MCA coordinates the collateral protection that will be provided to AmTrust to ensure that no gaps in collateral funding occur by operation of the LPT/ADC Agreement and related MCA.

Settlement of funding for the LPT/ADC Agreement will occur no later than August 12, 2019 and Maiden Bermuda will pay Enstar approximately $7,261 in interest related to the LPT/ADC Agreement premium, calculated at the rate of 2.64% per annum from January 1, 2019 through August 12, 2019.

b) Settlement and Commutation Agreement with Enstar Related to Maiden US Sale

Maiden NA completed the sale of Maiden US to Enstar Holdings on December 27, 2018 for gross consideration of $286,375, which was subject to post-closing adjustments. In conjunction with the completion of the LPT/ADC Agreement, Maiden NA and Enstar Holdings have waived the post-closing adjustments procedures subject to that agreement and have also agreed to terminate the $25,000 excess of loss reinsurance agreement that Maiden Bermuda provided to Enstar in relation to the MRNA loss reserves acquired by Enstar. As a result of these agreements, Maiden recorded a net additional loss from discontinued operations of $16,715 for the three and six months ended June 30, 2019.

c) Commutation and Release Agreement - AmTrust Quota Share

The Commutation and Release Agreement entered into and effective as of July 31, 2019, by AII and Maiden Bermuda, provides for AII to assume all reserves ceded by AII to Maiden Bermuda with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies issued by AII and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies issued by AII ("Commuted New York Business") and together with the Commuted California Business ("Commuted Business") in exchange for the release and full discharge of Maiden Bermuda of all of its obligations to AII with respect to the Commuted Business. The Commuted Business does not include any business classified by AII as Specialty Program or Specialty Risk business.

AII and Maiden Bermuda agreed that the Commuted Business shall be discharged by Maiden Bermuda's transfer of cash and invested assets in the amount of $312,786 ("Commutation Payment") which is the sum of the net ceded reserves in the amount of $330,682 with respect to the Commuted Business as of December 31, 2018 less payments in the amount of $17,896 made by Maiden Bermuda with respect to the Commuted Business from January 1, 2019 through July 31, 2019. Settlement of the Commutation Payment will occur no later than August 12, 2019 and Maiden Bermuda will pay AII approximately $6,335 in interest related to the Commutation Payment premium, calculated at the rate of 3.30% per annum from January 1, 2019 through August 12, 2019. Maiden Bermuda received a no objection letter from the BMA regarding the Commutation and Release Agreement.

AII and Maiden Bermuda also agreed that, as of July 31, 2019, the AmTrust Quota Share shall be deemed amended as applicable so that the Commuted Business is no longer included as part of the Covered Business under the AmTrust Quota Share.

d) Post-Termination Endorsement - AmTrust Quota Share

As a result of entering into both the LPT/ADC Agreement and the MCA, certain post-termination endorsements (“PTE”) to the AmTrust Quota Share between AII and Maiden Bermuda were required. The PTE, effective as of July 31, 2019, enables the operation of both the LPT/ADC Agreement and MCA by making provision for certain forms of collateral, including letters of credit provided by Cavello on Maiden Bermuda’s behalf. In addition, the PTE further defines the permitted use and return of collateral. The PTE also increases the required funding percentage for Maiden Bermuda’s under the collateral arrangements between the parties to 105% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Under certain defined conditions, Maiden Bermuda may be required to increase this funding percentage to 110%. Finally, as part of the PTE, the parties amended the existing Loss Corridor under the AmTrust Quota Share to include a maximum amount of $40,500, the amount calculated by Maiden Bermuda for the Loss Corridor coverage as of March 31, 2019. Any development over and above this maximum amount will be subject to the coverage of the LPT/ADC Agreement, subject to the terms thereof. Please see *"Note 8. Related Party Transactions"* for details of the existing Loss Corridor.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Form 10-Q" or this "Report"). References in this Form 10-Q to the terms "we", "us", "our", "the Company" or other similar terms mean the consolidated operations of Maiden Holdings, Ltd. and its subsidiaries, unless the context requires otherwise. References in this Form 10-Q to the term "Maiden Holdings" means Maiden Holdings, Ltd. only. Certain reclassifications have been made for 2018 to conform to the 2019 presentation and have no impact on consolidated net income and total equity previously reported.

Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q includes projections concerning financial information and statements concerning future economic performance and events, plans and objectives relating to management, operations, products and services, and assumptions underlying these projections and statements. These projections and statements are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 and are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These projections and statements may address, among other things, our strategy for growth, product development, financial results and reserves. Our actual results and financial condition may differ, possibly materially, from these projections and statements and therefore you should not place undue reliance on them. Factors that could cause our actual results and financial condition to differ, possibly materially, from those in the specific projections and statements are discussed throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations and in "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 14, 2019, however these factors should not be construed as exhaustive. Forward-looking statements speak only as of the date they are made and we undertake no obligation to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

Overview

We are a Bermuda-based holding company, previously focused on serving the needs of regional and specialty insurers in the United States ("U.S."), Europe and select other global markets. We operate internationally providing branded auto and credit life insurance products through insurer partners to retail clients in the EU and other global markets through Maiden Global Holdings, Ltd. ("Maiden Global") and its subsidiaries. These products also produce reinsurance programs which are underwritten by Maiden Reinsurance Ltd. ("Maiden Bermuda"). Certain international credit life business is written on a primary basis by Maiden Life Försäkrings AB ("Maiden LF"). We are also presently running off the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") contracts we terminated in early 2019 as discussed below. We have recently entered into a retroactive reinsurance agreement and a commutation agreement that reduces our exposure to and limits the potential volatility related to these AmTrust liabilities, which are discussed in *"Note 13. Subsequent Events"* of the *Notes to Condensed Consolidated Financial Statements* included in *Part I Item 1. "Financial Information"*.

As discussed in *"Note 1. Basis of Presentation"* of the *Notes to Condensed Consolidated Financial Statements* included in *Part I Item 1. "Financial Information"* and in *Item 1. "Business"* of our Annual Report on Form 10-K filed with the SEC on March 14, 2019, the sale of Maiden Reinsurance North America, Inc. ("Maiden US"), the Partial Termination Amendment (as defined below) and the termination of both of our quota share contracts with AmTrust have materially reduced our gross and net premiums written in 2019. We have significantly reduced our operating expenses and continue to review the steps necessary to reduce these costs further commensurate with the reduction in revenues.

Our business consists of two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. As a result of the strategic decision to divest all of our U.S. treaty reinsurance operations as discussed in more detail below, we revised the composition of our reportable segments in the fourth quarter of 2018. Our Diversified Reinsurance segment now only consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. Our AmTrust Reinsurance segment includes the run-off of all business ceded by AmTrust to Maiden Bermuda, primarily the AmTrust Quota Share and the European Hospital Liability Quota Share, as defined below.

Recent Developments

In early 2018, our Board of Directors initiated a review of strategic alternatives ("Strategic Review") to evaluate ways to increase shareholder value as a result of continuing higher than targeted combined ratios and lower returns on equity than planned. This Strategic Review has resulted in a series of transactions that have transformed our operations and materially reduced the risk on our balance sheet. These transactions include:

On August 29, 2018, we entered into a Renewal Rights Agreement (“Renewal Rights”) with Transatlantic Reinsurance Company ("TransRe"), pursuant to which we sold, and TransRe purchased, Maiden US's rights to: (i) renew its treaty reinsurance agreements upon their expiration or cancellation, (ii) solicit renewals of and replacement coverages for the treaty reinsurance agreements and (iii) replicate and use the products and contract forms used in Maiden US’s business. The sale was consummated on August 29, 2018. We continue to earn premiums and remain liable for losses occurring subsequent to August 29, 2018 for any policies in force prior to and as of August 29, 2018, until those policies expire. The payment received for sale of the Renewal Rights was $7.5 million, subject to potential additional amounts payable in the future in accordance with the agreement, however, no additional amounts to the fee have been recognized to date.

On December 27, 2018, we completed the sale agreement ("U.S. Sale Agreement") with Enstar Holdings U.S. LLC ("Enstar Holdings"), pursuant to which Maiden Holdings North America, Ltd. ("Maiden NA") sold, and Enstar Holdings purchased, all of the outstanding shares of common stock of Maiden US for gross consideration of $286.4 million. Also, pursuant to the terms of the U.S. Sale Agreement, Maiden Bermuda entered into a novation agreement and a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Bermuda were either novated or retroceded to Cavello Bay Reinsurance Limited (“Cavello”), Enstar Holding’s Bermuda reinsurance affiliate in exchange for a ceding commission of $14.0 million.

As a result of the above decision to divest all of our U.S. treaty reinsurance operations, these operations are now classified as discontinued operations, and except as explicitly described as held for sale or as discontinued operations, and unless otherwise noted, all discussions and amounts presented herein relate to our continuing operations, except for net (loss) income, net (loss) income attributable to Maiden and net (loss) income attributable to Maiden common shareholders.

Effective January 1, 2019, Maiden Bermuda and AmTrust through AmTrust’s subsidiary, AmTrust International Insurance, Ltd. ("AII"), amended the quota share agreement between Maiden Bermuda and AII ("AmTrust Quota Share"), originally entered into on July 1, 2007 that was in-force and set to expire on June 30, 2019 ("Partial Termination Amendment"). The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust’s Small Commercial Business and U.S. Specialty Risk and Extended Warranty business ("Terminated Business") as of December 31, 2018, with the remainder of the AmTrust Quota Share remaining in place.

The Partial Termination Amendment resulted in Maiden Bermuda returning approximately $648.0 million in unearned premium to AII, or approximately $436.8 million net of applicable ceding commission and brokerage. During January 2019, as part of this amendment, the Company transferred cash and investments of $480.0 million to AII based on provisional estimates. The excess of estimated unearned premium, net of applicable ceding commission and brokerage over the actual amount of approximately $43.2 million was returned by AII to Maiden Bermuda during the second quarter of 2019.

On January 30, 2019, Maiden Bermuda and AmTrust agreed to terminate on a run-off basis (i) the AmTrust Quota Share; and (ii) the European hospital liability quota share reinsurance contract (“European Hospital Liability Quota Share”) with AmTrust’s wholly owned subsidiaries AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC") effective January 1, 2019.

Effective on July 31, 2019, Maiden Bermuda entered into the loss portfolio and adverse development cover agreement ("LPT/ADC Agreement") with Enstar pursuant to which Cavello, Enstar's Bermuda reinsurance affiliate will assume liabilities for loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a $2.2 billion retention up to $600.0 million in exchange for a retrocession premium of $445.0 million. The $2.2 billion retention will be subject to adjustment for paid losses subsequent to December 31, 2018. The LPT/ADC Agreement will provide Maiden Bermuda with $155.0 million in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and therefore will be accounted for as retroactive reinsurance. Cumulative ceded losses exceeding $445.0 million would result in a deferred gain which would be recognized over the settlement period in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable. Consequently, cumulative adverse development subsequent to December 31, 2018 may result in significant losses from operations until periods when the deferred gain is recognized as a benefit to earnings.

Please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018 for further information.

Three and Six Months Ended June 30, 2019 and 2018 Financial Highlights

For the Three Months Ended June 30,	**2019**	**2018**	**Change**
Summary Consolidated Statement of Income Data:	($ in thousands except per share data)		
Net income (loss) from continuing operations	$ 3,285	$ (5,535)	$ 8,820
(Loss) income from discontinued operations, net of income tax	(18,698)	8,215	(26,913)
Net (loss) income	(15,413)	2,680	(18,093)
Net loss attributable to Maiden common shareholders	(15,413)	(5,913)	(9,500)
Non-GAAP operating loss(1)	(22,032)	(18,535)	(3,497)
Basic and diluted loss per common share(9):			
Net loss attributable to Maiden common shareholders(2)(9)	(0.19)	(0.07)	(0.12)
Non-GAAP operating loss attributable to Maiden common shareholders(1)(9)	(0.27)	(0.22)	(0.05)
Dividends per common share	—	0.15	(0.15)
Gross premiums written	2,117	521,526	(519,409)
Net premiums earned	133,986	504,388	(370,402)
Underwriting loss(1)(3)	(39,131)	(32,035)	(7,096)
Net investment income	31,122	34,260	(3,138)
Combined ratio(4)	136.6 %	108.1 %	28.5
Annualized non-GAAP operating return on average common shareholders' equity(1)	(72.2)%	(11.2)%	(61.0)

For the Six Months Ended June 30,	**2019**	**2018**	**Change**
Summary Consolidated Statement of Income Data:	($ in thousands except per share data)		
Net (loss) income from continuing operations	$ (29,999)	$ 6,813	$ (36,812)
(Loss) income from discontinued operations, net of income tax	(22,050)	18,210	(40,260)
Net (loss) income	(52,049)	25,023	(77,072)
Net (loss) income attributable to Maiden common shareholders	(52,049)	7,814	(59,863)
Non-GAAP operating loss(1)	(48,966)	(12,753)	(36,213)
Basic and diluted (loss) earnings per common share(9):			
Net (loss) income attributable to Maiden common shareholders(2)(9)	(0.63)	0.09	(0.72)
Non-GAAP operating loss attributable to Maiden common shareholders(1)	(0.59)	(0.15)	(0.44)
Dividends per common share	—	0.30	(0.30)
Gross premiums written	(559,022)	1,144,854	(1,703,876)
Net premiums earned	317,088	1,021,201	(704,113)
Underwriting loss(1)(3)	(81,882)	(36,731)	(45,151)
Net investment income	63,144	67,129	(3,985)
Combined ratio(4)	132.6 %	105.5 %	27.1
Annualized non-GAAP operating return on average common shareholders' equity(1)	(91.9)%	(3.7)%	(88.2)

Consolidated Financial Condition	June 30, 2019	December 31, 2018	Change
	($ in thousands except per share data)		
Total investments and cash and cash equivalents[5]	$ 3,464,192	$ 4,421,954	$ (957,762)
Total assets	4,598,556	5,287,460	(688,904)
Reserve for loss and loss adjustment expenses ("loss and LAE")	3,051,265	3,055,976	(4,711)
Senior notes - principal amount	262,500	262,500	—
Maiden common shareholders' equity	125,572	89,275	36,297
Maiden shareholders' equity	590,572	554,275	36,297
Total capital resources[6]	853,072	816,775	36,297
Ratio of debt to total capital resources	30.8%	32.1%	(1.3)
Book Value			
Book value per common share[7]	$ 1.51	$ 1.08	$ 0.43
Accumulated dividends per common share	4.27	4.27	—
Book value per common share plus accumulated dividends	$ 5.78	$ 5.35	$ 0.43
Change in book value per common share plus accumulated dividends	8.0%		
Diluted book value per common share[8]	$ 1.48	$ 1.08	$ 0.40

(1) Non-GAAP operating loss, non-GAAP operating loss per common share, non-GAAP operating return on average common equity and underwriting loss are non-GAAP financial measures. See "*Key Financial Measures*" for additional information and a reconciliation to the nearest U.S. GAAP financial measure net (loss) income.
(2) Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 11. Earnings per Common Share*" for the calculation of basic and diluted (loss) earnings per common share.
(3) Underwriting loss is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities.
(4) Calculated by adding together the net loss and LAE ratio and the expense ratio.
(5) Total investments and cash and cash equivalents includes both restricted and unrestricted.
(6) Total capital resources is the sum of the Company's principal amount of debt and Maiden shareholders' equity. See "*Key Financial Measures*" for additional information.
(7) Book value per common share is calculated using Maiden common shareholders' equity (shareholders' equity excluding the aggregate liquidation value of our preference shares) divided by the number of common shares outstanding.
(8) Diluted book value per common share is calculated by dividing Maiden common shareholders' equity, adjusted for assumed proceeds from the exercise of dilutive options, by the number of outstanding common shares plus dilutive options and restricted share units (assuming exercise of all dilutive share based awards).
(9) During a period of loss, the basic weighted average common shares outstanding is used in the denominator of the diluted loss per common share computation as the effect of including potential dilutive shares would be anti-dilutive.

Key Financial Measures

In addition to the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Income and Comprehensive Income, management uses certain key financial measures, some of which are non-GAAP measures, to evaluate its financial performance and the overall growth in value generated for the Company's common shareholders. Management believes that these measures, which may be defined differently by other companies, explain the Company's results in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The non-GAAP measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP. These key financial measures are:

Non-GAAP operating loss and non-GAAP diluted operating loss per common share: Management believes that the use of non-GAAP operating loss and non-GAAP diluted operating loss per share enables investors and other users of the Company's financial information to analyze its performance in a manner similar to how management analyzes performance. Management also believes that these measures generally follow industry practice and, therefore, allow the users of financial information to compare the Company's performance with its industry peer group, and that the equity analysts and certain rating agencies which follow the Company, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. Non-GAAP operating loss should not be viewed as a substitute for U.S. GAAP net (loss) income.

Non-GAAP operating loss earnings is an internal performance measure used by management as these measures focus on the underlying fundamentals of the Company's operations by excluding, on a recurring basis: (1) net realized gains or losses on investment; (2) foreign exchange gains or losses; and (3) loss and related activity from our NGHC Quota Share run-off operations. It also excludes on a non-recurring basis the loss from discontinued operations, net of income tax. We exclude net realized gains or losses on investment and foreign exchange gains or losses as we believe these are influenced by market opportunities and other factors. We do not believe loss and related activity from our NGHC Quota Share run-off operations and loss from discontinued operations are representative of our ongoing and future business. We believe all of these amounts are largely independent of our business and future underwriting process and including them distorts the analysis of trends in our operations.

Underwriting loss is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities. Management believes that this measure is important in evaluating the underwriting performance of the Company and its segments. This measure is also a useful tool to measure the profitability of the Company separately from the investment results and is also a widely used performance indicator in the insurance industry. A reconciliation of the Company's underwriting results can be found in the Company's Condensed Consolidated Financial Statements. Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 3. Segment Information*" for further details.

Non-GAAP operating loss and non-GAAP diluted operating loss per common share can be reconciled to the nearest U.S. GAAP financial measure as follows:

For the Three Months Ended June 30,	**2019**	**2018**
	($ in thousands except per share data)	
Net loss attributable to Maiden common shareholders	$ (15,413)	$ (5,913)
Add (subtract):		
Net realized (gains) losses on investment	(24,086)	414
Foreign exchange and other gains	(1,207)	(4,821)
Loss (income) from discontinued operations, net of income tax	18,698	(8,215)
Income from NGHC Quota Share run-off	(24)	—
Non-GAAP operating loss attributable to Maiden common shareholders	$ (22,032)	$ (18,535)
Diluted loss per share attributable to Maiden common shareholders	$ (0.19)	$ (0.07)
Add (subtract):		
Net realized (gains) losses on investment	(0.29)	0.01
Foreign exchange and other gains	(0.02)	(0.06)
Loss (income) from discontinued operations, net of income tax	0.23	(0.10)
Non-GAAP diluted operating loss per common share	$ (0.27)	$ (0.22)

For the Six Months Ended June 30,	**2019**	**2018**
	($ in thousands except per share data)	
Net (loss) income attributable to Maiden common shareholders	$ (52,049)	$ 7,814
Add (subtract):		
Net realized (gains) losses on investment	(12,985)	57
Foreign exchange and other gains	(6,186)	(2,414)
Loss (income) from discontinued operations, net of income tax	22,050	(18,210)
Loss from NGHC Quota Share run-off	204	—
Non-GAAP operating loss attributable to Maiden common shareholders	$ (48,966)	$ (12,753)
Diluted (loss) earnings per share attributable to Maiden common shareholders	$ (0.63)	$ 0.09
Add (subtract):		
Net realized (gains) losses on investment	(0.16)	—
Foreign exchange and other gains	(0.07)	(0.02)
Loss (income) from discontinued operations, net of income tax	0.27	(0.22)
Non-GAAP diluted operating loss per common share	$ (0.59)	$ (0.15)

Non-GAAP operating loss attributable to Maiden common shareholders increased by $3.5 million for the three months ended June 30, 2019 compared to the same period in 2018. This was largely due to the deterioration in our underwriting results of $7.1 million during the three months ended June 30, 2019 compared to the same period in 2018 primarily in our AmTrust Reinsurance segment. The deterioration was largely due to the Partial Termination Amendment with AmTrust which caused changes in the mix of business being earned in 2019 compared to 2018 that resulted in a higher current year loss ratio. In addition, underwriting results were impacted by higher ceding commission payable for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment with AmTrust.

Non-GAAP operating loss attributable to Maiden common shareholders increased by $36.2 million for the six months ended June 30, 2019 compared to the same period in 2018. This was largely due to the deterioration in our underwriting results of $45.2 million during the six months ended June 30, 2019 compared to the same period in 2018 as a result of higher current year loss ratios due to the Partial Termination Amendment with AmTrust which caused changes in the mix of business being earned in 2019 compared to 2018. In addition, underwriting results were impacted by higher ceding commission payable for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium under the Partial Termination Amendment with AmTrust.

Non-GAAP Operating Return on Average Common Equity ("Non-GAAP Operating ROACE"): Management uses non-GAAP operating return on average common shareholders' equity as a measure of profitability that focuses on the return to common shareholders. It is calculated using non-GAAP operating loss available to common shareholders (as defined above) divided by average common shareholders' equity.

Non-GAAP Operating ROACE for the three and six months ended June 30, 2019 and 2018 was computed as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2019	2018	2019	2018
Non-GAAP operating loss attributable to Maiden common shareholders	$ (22,032)	$ (18,535)	$ (48,966)	$ (12,753)
Opening Maiden common shareholders' equity	119,289	692,910	89,275	767,174
Ending Maiden common shareholders' equity	125,572	640,742	125,572	640,742
Average Maiden common shareholders' equity	122,431	666,826	107,424	703,958
Non-GAAP Operating ROACE	(72.2)%	(11.2)%	(91.9)%	(3.7)%

Book Value per Common Share and Diluted Book Value per Common Share: Management uses growth in both of these metrics as a prime measure of the value we are generating for our common shareholders, as management believes that growth in each metric ultimately results in growth in the Company's common share price. These metrics are impacted by the Company's net income and external factors, such as interest rates, which can drive changes in unrealized gains or losses on our investment portfolio.

At June 30, 2019, book value per common share increased by 39.8% and diluted book value per common share increased by 37.0%, compared to December 31, 2018, primarily due to net unrealized gains on our investment portfolio reported in other comprehensive income during the three and six months ended June 30, 2019. These unrealized gains were partially offset by the net loss attributable to Maiden common shareholders during the six months ended June 30, 2019. Please see "*Liquidity and Capital Resources - Investments"* on page 55 for further information on the change in fair value of our fixed maturity investment portfolio.

Book value and diluted book value per common share at June 30, 2019 and December 31, 2018 were computed as follows:

($ in thousands except share and per share data)	June 30, 2019	December 31, 2018
Ending Maiden common shareholders' equity	$ 125,572	$ 89,275
Proceeds from assumed conversion of dilutive options	—	362
Numerator for diluted book value per common share calculation	$ 125,572	$ 89,637
Common shares outstanding	83,066,135	82,948,577
Shares issued from assumed conversion of dilutive options and restricted share units	1,920,961	398,390
Denominator for diluted book value per common share calculation	84,987,096	83,346,967
Book value per common share	$ 1.51	$ 1.08
Diluted book value per common share	1.48	1.08

Ratio of Debt to Total Capital Resources: Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of total capital resources. The ratio of Debt to Total Capital Resources at June 30, 2019 and December 31, 2018 was computed as follows:

($ in thousands)	June 30, 2019	December 31, 2018
Senior notes - principal amount	$ 262,500	$ 262,500
Maiden shareholders' equity	590,572	554,275
Total capital resources	$ 853,072	$ 816,775
Ratio of debt to total capital resources	30.8%	32.1%

Certain Operating Measures and Relevant Factors

Refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018 for a general discussion on "*Certain Operating Measures"* utilized by the Company and the "*Relevant Factors"* associated with these Certain Operating Measures.

Critical Accounting Policies and Estimates

The Company's critical accounting policies and estimates are discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 14, 2019. The critical accounting policies and estimates should be read in conjunction with "*Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies*" included in this Form 10-Q and "*Notes to Consolidated Financial Statements Note 2. Significant Accounting Policies*" included within the audited Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 14, 2019. There have been no material changes in the application of our critical accounting estimates subsequent to that report.

Results of Operations

The following table sets forth our selected unaudited Condensed Consolidated Statement of Income data for each of the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2019	2018	2019	2018
Gross premiums written	$ 2,117	$ 521,526	$ (559,022)	$ 1,144,854
Net premiums written	$ (409)	$ 521,028	$ (561,939)	$ 1,143,679
Net premiums earned	$ 133,986	$ 504,388	$ 317,088	$ 1,021,201
Other insurance revenue	754	2,033	1,504	5,759
Net loss and LAE	(121,561)	(370,001)	(274,250)	(723,207)
Commission and other acquisition expenses	(49,656)	(162,780)	(119,273)	(329,408)
General and administrative expenses(1)	(2,654)	(5,675)	(6,951)	(11,076)
Underwriting loss(2)	(39,131)	(32,035)	(81,882)	(36,731)
Other general and administrative expenses(1)	(10,195)	(9,185)	(21,837)	(19,455)
Net investment income	31,122	34,260	63,144	67,129
Net realized gains (losses) on investment	24,086	(414)	12,985	(57)
Foreign exchange and other gains	1,207	4,821	6,186	2,414
Interest and amortization expenses	(4,830)	(4,829)	(9,659)	(9,658)
Income tax benefit	1,026	1,847	1,064	3,171
Net income (loss) from continuing operations	3,285	(5,535)	(29,999)	6,813
(Loss) income from discontinued operations, net of income tax	(18,698)	8,215	(22,050)	18,210
Income attributable to noncontrolling interests	—	(47)	—	(118)
Dividends on preference shares	—	(8,546)	—	(17,091)
Net (loss) income attributable to Maiden common shareholders	$ (15,413)	$ (5,913)	$ (52,049)	$ 7,814
Ratios				
Net loss and LAE ratio(3)	90.2%	73.1%	86.1%	70.4%
Commission and other acquisition expense ratio(4)	36.9%	32.1%	37.5%	32.1%
General and administrative expense ratio(5)	9.5%	2.9%	9.0%	3.0%
Expense ratio(6)	46.4%	35.0%	46.5%	35.1%
Combined ratio(7)	136.6%	108.1%	132.6%	105.5%

(1) Underwriting related general and administrative expenses is a non-GAAP measure. Please refer to *"General and Administrative Expenses"* below for additional information related to these corporate expenses and the reconciliation to those presented in our Condensed Consolidated Statements of Income.
(2) Underwriting loss is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities.
(3) Calculated by dividing net loss and LAE by the sum of net premiums earned and other insurance revenue.
(4) Calculated by dividing commission and other acquisition expenses by the sum of net premiums earned and other insurance revenue.
(5) Calculated by dividing general and administrative expenses by the sum of net premiums earned and other insurance revenue.
(6) Calculated by adding together commission and other acquisition expense ratio and general and administrative expense ratio.
(7) Calculated by adding together net loss and LAE ratio and the expense ratio.

Net Loss

Net loss attributable to Maiden common shareholders for the three months ended June 30, 2019 was $15.4 million compared to net loss of $5.9 million for the same period in 2018. The higher net loss for the three months ended June 30, 2019 compared to the same period in 2018 was primarily due to the following:

- net loss from discontinued operations of $18.7 million compared to net income from discontinued operations of $8.2 million for the same period in 2018 largely as a result of the Settlement and Commutation Agreement entered into by Maiden and Enstar on July 31, 2019 which caused a net additional loss of $16.7 million to be recognized;
- net income from continuing operations of $3.3 million compared to net loss from continuing operations of $5.5 million for the same period in 2018 largely due to the following factors:
    - realized gains on investment of $24.1 million for the three months ended June 30, 2019 compared to realized losses of $0.4 million for the same period in 2018; and
    - no dividends paid to preference shareholders for the three months ended June 30, 2019 compared to $8.5 million for the same period in 2018 due to our Board not declaring dividends on any of our preference shares during 2019; offset by:
    - ◦ underwriting loss of $39.1 million compared to $32.0 million in the same period in 2018. The deterioration in the underwriting result was principally due to the impact of:
        - ▪ higher initial loss ratios on premiums earned during the period within the AmTrust Reinsurance segment (which excludes the Terminated Business under the Partial Termination Amendment);
        - ▪ higher ceding commission payable of $6.5 million for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment with AmTrust; and
        - ▪ adverse prior year loss development of $26.0 million or 19.3 percentage points in the second quarter of 2019 compared to adverse prior year loss development of $28.2 million or 5.6 percentage points during the same period in 2018.
    - lower foreign exchange and other gains of $1.2 million for the three months ended June 30, 2019 compared to foreign exchange gains of $4.8 million for the same period in 2018. Gains in 2019 were due to the impact of the strengthening of the U.S. dollar on the re-measurement of net loss reserves and unearned premiums denominated in British pound whereas in 2018 gains were due to strengthening of the U.S. dollar relative to the euro and British pound.

Net loss attributable to Maiden common shareholders for the six months ended June 30, 2019 was $52.0 million compared to net income of $7.8 million for the same period in 2018. The net decrease in results for the six months ended June 30, 2019 compared to the same period in 2018 was primarily due to the following:

- net loss from discontinued operations of $22.1 million compared to net income from discontinued operations of $18.2 million for the same period in 2018 largely as a result of the Settlement and Commutation Agreement entered into by Maiden and Enstar on July 31, 2019 which caused a net additional loss of $16.7 million to be recognized;
- net loss from continuing operations of $30.0 million compared to net income from continuing operations of $6.8 million for the same period in 2018 largely due to the following factors:
    - underwriting loss of $81.9 million compared to $36.7 million in the same period in 2018. The deterioration in the underwriting result was principally due to the impact of:
        - ◦ higher initial loss ratios on current year premiums earned during the period within the AmTrust Reinsurance segment (which excludes the Terminated Business under the Partial Termination Amendment);
        - ◦ higher ceding commission payable of $14.1 million for the remaining in-force business immediately prior to January 1, 2019, which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment with AmTrust; and
        - ◦ adverse prior year loss development of $33.3 million or 10.5 percentage points in the first half of 2019 compared to $38.0 million or 3.7 percentage points during the same period in 2018.

The unfavorable movements above were offset by the following:

- no dividends were paid to preference shareholders for the six months ended June 30, 2019 compared to $17.1 million for the same period in 2018. Our Board of Directors have not declared dividends on any of our preference shares during 2019;
- realized gains on investment of $13.0 million for the six months ended June 30, 2019 compared to realized losses of $0.1 million for the same period in 2018; and
- foreign exchange and other gains of $6.2 million for the six months ended June 30, 2019 compared to foreign exchange gains of $2.4 million for the same period in 2018 largely due to the proceeds from the sale of AVS Automotive VersicherungsService GmbH ("AVS") and its subsidiaries to Allianz Partners on January 10, 2019. Excluding the gain of $4.3 million from the sale of AVS, net foreign exchange gains of $1.9 million were realized during the six months ended June 30, 2019 primarily due to the impact of the strengthening of the U.S. dollar versus the euro and British pound.

Net Premiums Written

Net premiums written decreased significantly for the three and six months ended June 30, 2019 compared to the same periods in 2018. The tables below compare net premiums written by our reportable segments, reconciled to the total consolidated net premiums written for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 8,718	$ 29,717	$ (20,999)	(70.7)%
AmTrust Reinsurance	(9,127)	491,311	(500,438)	(101.9)%
Total	$ (409)	$ 521,028	$ (521,437)	(100.1)%

For the Six Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 23,665	$ 77,988	$ (54,323)	(69.7)%
AmTrust Reinsurance	(585,604)	1,065,691	(1,651,295)	(155.0)%
Total	$ (561,939)	$ 1,143,679	$ (1,705,618)	(149.1)%

Net premiums written for the three and six months ended June 30, 2019 decreased significantly compared to the same respective periods in 2018 as follows:

- Premiums written in the AmTrust Reinsurance segment decreased significantly due to the recent termination of both the AmTrust Quota Share and the European Hospital Liability Quota Share effective January 1, 2019, therefore no new business has been written in this segment during 2019. Also, the Partial Termination Amendment resulted in Maiden Bermuda returning approximately $648.0 million in unearned premium to AII, or $436.8 million net of applicable ceding commission and brokerage; and
- Premiums written in the Diversified Reinsurance segment decreased significantly by $21.0 million or 70.7% and $54.3 million or 69.7% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 largely due to non-renewals in our European Capital Solutions business combined with reduced business written within our IIS business.

Please refer to the analysis below of our Diversified Reinsurance and AmTrust Reinsurance segments for further details.

Net Premiums Earned

Net premiums earned decreased by $370.4 million or 73.4% and $704.1 million or 68.9% for the three and six months ended June 30, 2019 compared to the same periods in 2018. The tables below compare net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned, for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019		2018		Change in	
($ in thousands)	Total	% of Total	Total	% of Total	$	%
Diversified Reinsurance	$ 22,472	16.8%	$ 28,539	5.7%	$ (6,067)	(21.3)%
AmTrust Quota Share Reinsurance	111,514	83.2%	475,849	94.3%	(364,335)	(76.6)%
Total	$ 133,986	100.0%	$ 504,388	100.0%	$ (370,402)	(73.4)%

For the Six Months Ended June 30,	2019		2018		Change in	
($ in thousands)	Total	% of Total	Total	% of Total	$	%
Diversified Reinsurance	$ 47,764	15.1%	$ 54,054	5.3%	$ (6,290)	(11.6)%
AmTrust Quota Share Reinsurance	269,324	84.9%	967,147	94.7%	(697,823)	(72.2)%
Total	$ 317,088	100.0%	$ 1,021,201	100.0%	$ (704,113)	(68.9)%

Net premiums earned in the AmTrust Reinsurance segment for the three and six months ended June 30, 2019 decreased by $364.3 million or 76.6% and $697.8 million or 72.2%, respectively, compared to the same respective periods in 2018 due to the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019. Please refer to the analysis of our AmTrust Reinsurance segment on page 49 for further discussion.

Net premiums earned in our Diversified Reinsurance segment for the three and six months ended June 30, 2019 decreased by $6.1 million or 21.3% and $6.3 million or 11.6%, respectively, compared to the same respective periods in 2018 driven by reductions in the quota share for German Auto Programs within our IIS business caused by a lower quota share cession percentage which declined from 65% in 2018 to 50% in 2019. Please refer to the analysis of our Diversified Reinsurance segment on page 47 for further discussion.

Other Insurance Revenue

All of our Other Insurance Revenue is produced by our Diversified Reinsurance segment. Please refer to page 48 for further discussion.

Net Investment Income and Net Realized Gains on Investment

For the three and six months ended June 30, 2019, net investment income decreased by $3.1 million or 9.2% and $4.0 million or 5.9%, respectively, compared to the same respective periods in 2018. This was driven by the decline in average book yields from 3.3% to 3.1% for the three and six months ended June 30, 2019 compared to the same respective periods in 2018.

Net realized gains on investment were $24.1 million and $13.0 million, respectively, for the three and six months ended June 30, 2019, compared to net realized losses of $0.4 million and $0.1 million for the same respective periods in 2018. The realized gains for the three months ended June 30, 2019 were primarily due to sales of corporate bonds during the second quarter in anticipation of completing and funding the LPT/ADC Agreement with Enstar. The realized gains for the six months ended June 30, 2019 were primarily driven by sales of corporate bonds during the second quarter in anticipation of completing and funding the LPT/ADC Agreement with Enstar, partially offset by net investment losses realized on the non-cash transfer of corporate and other debt securities in the first quarter of 2019 related to the Partial Termination Amendment with AmTrust and the conversion of a portion of reinsurance trust assets held as collateral into funds withheld receivable.

The following table details the Company's average investable assets and average book yield for the three and six months ended June 30, 2019 compared to the same period in 2018:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2019	2018	2019	2018
Average investable assets[(1)]	$ 4,061,954	$ 4,133,196	$ 4,086,959	$ 4,128,076
Average book yield[(2)]	3.1%	3.3%	3.1%	3.3%

(1) The average of the Company's investments, cash and cash equivalents, restricted cash and cash equivalents, funds withheld and loan to related party at each quarter-end during the period, as adjusted.
(2) Ratio of net investment income over average investable assets at fair value, as adjusted.

Net Loss and Loss Adjustment Expenses

Net loss and LAE decreased by $248.4 million and $449.0 million during the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 largely due to the significant drop in earned premiums as a result of the termination of the AmTrust quota share agreements effective January 1, 2019.

The loss ratio for the second quarter of 2019 was impacted by net adverse prior year reserve development of $26.0 million or 19.3 percentage points compared to net adverse prior year reserve development of $28.2 million or 5.6 percentage points during the same period in 2018. The loss ratio for the six months ended June 30, 2019 was impacted by net adverse prior year reserve development of $33.3 million or 10.5 percentage points compared to $38.0 million or 3.7 percentage points during the same period in 2018.

The net loss and LAE ratios increased to 90.2% and 86.1% for the three and six months ended June 30, 2019, respectively, compared to 73.1% and 70.4% for the same respective periods in 2018 primarily due to the adverse development discussed above as well as changes in the mix of business being earned in the AmTrust Reinsurance segment in 2019 compared to 2018 as a result of the business subject to the Partial Termination Amendment with AmTrust.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses decreased by $113.1 million or 69.5% and $210.1 million or 63.8% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 due to significantly lower earned premiums.

The commission and other acquisition expense ratio increased to 36.9% and 37.5% for the three and six months ended June 30, 2019, respectively, compared to 32.1% for the same respective periods in 2018 driven by an increase in ceding commission fees payable within the AmTrust Reinsurance segment as of January 1, 2019.

Under the Partial Termination Amendment with AmTrust, Maiden Bermuda agreed to pay five additional percentage points of ceding commission on the remaining unearned premium over the term of the contract which had an impact of $6.5 million and $14.1 million for the three and six months ended June 30, 2019, respectively.

General and Administrative Expenses

General and administrative expenses include expenses which are segregated for analytical purposes as a component of underwriting income. General and administrative expenses comprise:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2019	2018	2019	2018
General and administrative expenses – segments	$ 2,654	$ 5,675	$ 6,951	$ 11,076
General and administrative expenses – corporate	10,195	9,185	21,837	19,455
Total general and administrative expenses	$ 12,849	$ 14,860	$ 28,788	$ 30,531

Total general and administrative expenses decreased by $2.0 million, or 13.5% and $1.7 million or 5.7% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018. The general and administrative expense ratio increased to 9.5% and 9.0% for the three and six months ended June 30, 2019, respectively, from 2.9% and 3.0% for the three and six months ended June 30, 2018, respectively, as a result of significantly lower earned premiums compared to the prior periods due to termination of the AmTrust quota share contracts effective January 1, 2019 and non-renewals within our International business.

The increased corporate expenses for the three and six months ended June 30, 2019 compared to the same respective periods in 2018 were largely due to approximately $3.0 million and $6.0 million, respectively, in non-recurring expenses including salary and related benefits associated with headcount reductions during 2019 as well as certain professional fees incurred.

Interest and Amortization Expenses

The interest and amortization expenses related to outstanding senior notes issued by Maiden Holdings in 2016 and Maiden NA in 2013 ("Senior Notes") were unchanged at $4.8 million and $9.7 million for the three and six months ended June 30, 2019 and 2018, respectively. Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt*" for further details on the Senior Notes.

Foreign Exchange and Other Gains

Net foreign exchange and other gains amounted to $1.2 million and $6.2 million during the three and six months ended June 30, 2019, respectively, compared to net foreign exchange gains of $4.8 million and $2.4 million for the same respective periods in 2018.

Other gains of $4.3 million during the six months ended June 30, 2019 were realized due to proceeds received from the sale of AVS and its related European subsidiaries to Allianz Partners on January 10, 2019. Excluding the gain of $4.3 million related to the sale of AVS during the six months ended June 30, 2019, net foreign exchange gains of $1.9 million were realized during the six months ended June 30, 2019.

Foreign exchange gains for the three and six months ended June 30, 2018 were primarily attributable to the impact of the strengthening of the U.S. dollar on the re-measurement of net loss reserves and related liabilities mainly denominated in euros and British pounds.

Income Tax Benefit

The Company recorded an income tax benefit of $1.0 million and $1.1 million for the three and six months ended June 30, 2019, respectively, compared to $1.8 million and $3.2 million for the same respective periods in 2018. These amounts relate to income tax on the losses of our US and international subsidiaries. The effective rate of income tax was (45.4)% and 3.4% for the three and six months ended June 30, 2019, respectively, compared to 25.0% and (87.1)% for the three and six months ended June 30, 2018, respectively.

Dividends on Preference Shares

For the three and six months ended June 30, 2019, no dividends were declared or paid to preference shareholders compared to $8.5 million and $17.1 million of preference share dividends declared and paid during the same respective periods in 2018.

Please refer to "*Notes to Consolidated Financial Statements Note 14. Shareholders' Equity*" included under Item 8 "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2018 for details on the Company’s preference shares.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results and associated ratios for our Diversified Reinsurance segment for the three and six months ended June 30, 2019 and 2018 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
($ in thousands)	2019	2018	2019	2018
Gross premiums written	$ 11,244	$ 30,041	$ 26,582	$ 79,441
Net premiums written	$ 8,718	$ 29,717	$ 23,665	$ 77,988
Net premiums earned	$ 22,472	$ 28,539	$ 47,764	$ 54,054
Other insurance revenue	754	2,033	1,504	5,759
Net loss and LAE	(12,497)	(16,165)	(26,888)	(32,064)
Commission and other acquisition expenses	(8,147)	(9,988)	(17,408)	(19,300)
General and administrative expenses	(2,092)	(4,593)	(5,123)	(9,074)
Underwriting income (loss)	$ 490	$ (174)	$ (151)	$ (625)
Ratios				
Net loss and LAE ratio	53.8%	52.9%	54.6%	53.6%
Commission and other acquisition expense ratio	35.1%	32.7%	35.3%	32.2%
General and administrative expense ratio	9.0%	15.0%	10.4%	15.2%
Expense ratio	44.1%	47.7%	45.7%	47.4%
Combined ratio	97.9%	100.6%	100.3%	101.0%

The combined ratio for the three and six months ended June 30, 2019 decreased to 97.9% and 100.3%, respectively, compared to 100.6% and 101.0% for the same comparative periods in 2018, primarily due to decreased general and administrative expense ratios offsetting the increased net loss and LAE ratios and commission and other acquisition expense ratios.

Premiums — Gross premiums written decreased by $18.8 million or 62.6% and $52.9 million or 66.5% for the three and six months ended June 30, 2019 compared to the same respective periods in 2018. This was primarily due to non-renewals in our European Capital Solutions business resulting from the downgrade and subsequent withdrawal of Maiden Bermuda's credit rating combined with lower premiums due to a lower quota share cession percentage from German Auto in our IIS business during the three and six months ended June 30, 2019.

Net premiums written decreased by $21.0 million or 70.7% and $54.3 million or 69.7% during the three and six months ended June 30, 2019, respectively, compared to the same periods in 2018 mainly due to non-renewals in our European Capital Solutions business combined with lower net premiums written in our German Auto programs within our IIS business.

The tables below show net premiums written by line of business for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Written				
International	$ 8,718	$ 29,717	$ (20,999)	(70.7)%
Total Diversified Reinsurance	$ 8,718	$ 29,717	$ (20,999)	(70.7)%

For the Six Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Written				
International	$ 23,665	$ 77,947	$ (54,282)	(69.6)%
Other	—	41	(41)	(100.0)%
Total Diversified Reinsurance	$ 23,665	$ 77,988	$ (54,323)	(69.7)%

Net premiums earned decreased by $6.1 million or 21.3% and $6.3 million or 11.6% during the three and six months ended June 30, 2019, respectively, compared to the same periods in 2018 primarily due to lower earned premiums from German Auto programs.

The tables below show net premiums earned by line of business for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Earned				
International	$ 22,472	$ 28,539	$ (6,067)	(21.3)%
Total Diversified Reinsurance	$ 22,472	$ 28,539	$ (6,067)	(21.3)%

For the Six Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Earned				
International	$ 47,764	$ 54,013	$ (6,249)	(11.6)%
Other	—	41	(41)	(100.0)%
Total Diversified Reinsurance	$ 47,764	$ 54,054	$ (6,290)	(11.6)%

Other Insurance Revenue — Other insurance revenue decreased by $1.3 million and $4.3 million for the three and six months ended June 30, 2019, respectively, compared to the same periods in 2018 due to the sale of AVS and its subsidiaries on January 10, 2019. Through 2018, a substantial portion of our fee income was generated by AVS and its subsidiaries in Germany and Austria through its point of sale producers in select OEM's dealerships.

Net Loss and Loss Adjustment Expenses — Net loss and LAE decreased by $3.7 million or 22.7% and $5.2 million or 16.1% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018. Net loss and LAE ratios increased to 53.8% and 54.6% for the three and six months ended June 30, 2019, respectively, compared with 52.9% and 53.6% during the same periods in 2018.

During the three months ended June 30, 2019, the net loss and LAE ratio increased by 0.9 percentage points compared to the same period in 2018 due to higher initial loss ratios on current year premiums earned during the period factoring in both market conditions and recent loss trends and experience. This was partially offset by favorable prior year loss reserve development which was $1.1 million or 4.5 percentage points during the three months ended June 30, 2019, compared to favorable development of $0.2 million or 0.6 percentage points for the same period in 2018. The loss development in 2019 was driven by favorable experience in German Auto programs, while the favorable loss development in 2018 was due to lower than expected loss emergence emanating from certain treaty contracts which are in run-off.

During the six months ended June 30, 2019, the net loss and LAE ratio increased by one percentage point compared to the same period in 2018 due to higher initial loss ratios on current year premiums earned during the period factoring in both market conditions and recent loss trends and experience. This was partially offset by favorable prior year loss reserve development which was $2.1 million or 4.3 percentage points during the six months ended June 30, 2019, compared to adverse development of $1.1 million or 1.8 percentage points for the same period in 2018. The loss development in 2019 was driven by favorable experience in German Auto programs and facultative reinsurance lines which are in run-off, while the adverse development in 2018 was due to higher than expected loss emergence emanating from certain treaty contracts which are in run-off.

The impact on the net loss and LAE ratios should be considered in conjunction with the commission and other acquisition expense ratio as changes to either ratio can be effected by the changes in the mix of business and the impact of the increase in the commission and other acquisition expense rates on pro-rata contracts with loss sensitive features. As a result of these factors, as well as the impacts on the loss ratio described above, the combined ratio decreased by 2.7 and 0.7 percentage points for the three and six months ended June 30, 2019 compared to the same respective periods in 2018.

Commission and Other Acquisition Expenses — Commission and other acquisition expenses decreased by $1.8 million or 18.4% and $1.9 million or 9.8% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018. The commission and other acquisition expense ratio for the three months ended June 30, 2019 increased to 35.1% compared to 32.7% for the same period in 2018, reflecting the impact of lower other insurance revenue which decreased by $1.3 million compared to the same period in 2018. Similarly, the commission and other acquisition expense ratio for the six months ended June 30, 2019 increased to 35.3% compared to 32.2% for the same period in 2018, reflecting the impact of lower other insurance revenue which decreased by $4.3 million compared to the same period in 2018. The variation in ratios for the three and six months ended June 30, 2019 was primarily due to the change in the mix of pro rata versus excess of loss premiums written during the period. Please refer to the reasons for the changes in the combined ratio discussed in the preceding paragraph.

General and Administrative Expenses — General and administrative expenses decreased by $2.5 million or 54.5% and $4.0 million or 43.5% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018. The general and administrative expense ratio decreased to 9.0% and 10.4% for the three and six months ended June 30, 2019, respectively, compared to 15.0% and 15.2% for the same periods in 2018.

The decline in the general and administrative expense ratios were primarily as a result of the sale of AVS and its subsidiaries on January 10, 2019 by the Company, which caused lower compensation costs, legal and other professional fees incurred compared to the respective prior periods. The overall expense ratio (including commission and other acquisition expenses) for the three and six months ended June 30, 2019 was 44.1% and 45.7%, respectively, compared to 47.7% and 47.4% for the same respective periods in 2018.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported an underwriting loss of $39.6 million and $81.5 million during the three and six months ended June 30, 2019, respectively, compared to $31.9 million and $36.1 million in the same periods in 2018. The larger underwriting loss was primarily due to lower earned premiums combined with the impact of significantly higher initial current year loss ratios, prior year adverse development and higher commissions paid for premiums earned during the three and six months ended June 30, 2019. The underwriting results and associated ratios for the AmTrust Reinsurance segment for the three and six months ended June 30, 2019 and 2018 were as follows:

($ in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Gross premiums written	$ (9,127)	$ 491,485	$ (585,604)	$ 1,065,413
Net premiums written	$ (9,127)	$ 491,311	$ (585,604)	$ 1,065,691
Net premiums earned	$ 111,514	$ 475,849	$ 269,324	$ 967,147
Net loss and LAE	(109,088)	(353,836)	(247,158)	(691,143)
Commission and other acquisition expenses	(41,509)	(152,792)	(101,865)	(310,108)
General and administrative expenses	(562)	(1,082)	(1,828)	(2,002)
Underwriting loss	$ (39,645)	$ (31,861)	$ (81,527)	$ (36,106)
Ratios				
Net loss and LAE ratio	97.8%	74.4%	91.8%	71.4%
Commission and other acquisition expense ratio	37.2%	32.1%	37.8%	32.1%
General and administrative expense ratio	0.5%	0.2%	0.7%	0.2%
Expense ratio	37.7%	32.3%	38.5%	32.3%
Combined ratio	135.5%	106.7%	130.3%	103.7%

The combined ratio increased 28.8 percentage points to 135.5% for the three months ended June 30, 2019 compared to 106.7% for the same period in 2018 due to the following factors:

- higher loss ratios for current year premiums earned during the period primarily due to the Partial Termination Amendment which caused significant changes in the mix of business being earned in 2019 compared to 2018. These changes resulted in a higher current year loss ratio for the remaining in-force business;
- increase in the ceding commission payable of $6.5 million for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment; and
- impact of adverse prior year loss development which was $27.1 million or 24.3 percentage points during the second quarter of 2019 compared to $28.4 million or 6.0 percentage points for the same period in 2018. Prior year adverse development in 2019 was primarily due to adverse development in Commercial Auto Liability in accident years 2015 to 2018, partly offset by favorable development in Workers Compensation. The prior year adverse development in 2018 was largely due to Worker's Compensation and General Liability.

The combined ratio increased by 26.6 percentage points to 130.3% for the six months ended June 30, 2019 compared to 103.7% for the same period in 2018 due to the following factors:

- higher loss ratios for current year premiums earned during the period primarily due to the Partial Termination Amendment which caused changes in the mix of business being earned in 2019 compared to 2018. These changes resulted in a higher current year loss ratio for the remaining in-force business;
- increase in the ceding commission payable of $14.1 million for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment; and
- impact of adverse prior year loss development which was $35.2 million or 13.1 percentage points during the six months ended June 30, 2019 compared to $36.9 million or 3.8 percentage points for the same period in 2018. Prior year adverse development in 2019 was primarily due to Commercial Auto Liability in accident years 2014 to 2018, partly offset by favorable development in Workers Compensation. The prior year adverse development in 2018 was largely due to Workers Compensation and General Liability, with a smaller contribution from Commercial Auto Liability, primarily driven by accident years 2015 and 2016.

Premiums — Gross premiums written decreased significantly for the three and six months ended June 30, 2019 compared to the same respective periods in 2018 reflecting the recent termination of both the AmTrust Quota Share and the European Hospital Liability Quota Share effective January 1, 2019, thus no new business has been written under these contracts during 2019. Also, the Partial Termination Amendment resulted in Maiden Bermuda returning approximately $648.0 million in unearned premium to AII, or approximately $436.8 million net of applicable ceding commission and brokerage.

The tables below show net premiums written by category for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Written				
Small Commercial Business	$ 5,515	$ 279,486	$ (273,971)	(98.0)%
Specialty Program	(16,031)	103,196	(119,227)	(115.5)%
Specialty Risk and Extended Warranty	1,389	108,629	(107,240)	(98.7)%
Total AmTrust Reinsurance	$ (9,127)	$ 491,311	$ (500,438)	(101.9)%

For the Six Months Ended June 30,	2019	2018	Change in	
($ in thousands)	Total	Total	$	%
Net Premiums Written				
Small Commercial Business	$ (337,166)	$ 647,240	$ (984,406)	(152.1)%
Specialty Program	(28,639)	192,327	(220,966)	(114.9)%
Specialty Risk and Extended Warranty	(219,799)	226,124	(445,923)	(197.2)%
Total AmTrust Reinsurance	$ (585,604)	$ 1,065,691	$ (1,651,295)	(155.0)%

Net premiums written in our AmTrust Reinsurance segment for the three and six months ended June 30, 2019 decreased significantly compared to the same respective periods in 2018 due to the recent termination of both the AmTrust Quota Share and the European Hospital Liability Quota Share effective January 1, 2019. As mentioned above, the Partial Termination Amendment resulted in Maiden Bermuda returning approximately $648.0 million in unearned premium to AII, or approximately $436.8 million net of applicable ceding commission and brokerage, which caused the negative written premiums in the six months ended June 30, 2019.

Net premiums earned decreased by $364.3 million or 76.6% and $697.8 million or 72.2% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 due to the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019.

The tables below detail net premiums earned by category for the three and six months ended June 30, 2019 and 2018:

For the Three Months Ended June 30,	2019		2018		Change in	
($ in thousands)	Total	% of Total	Total	% of Total	$	%
Net Premiums Earned						
Small Commercial Business	$ 23,283	20.9%	$ 293,514	61.7%	$ (270,231)	(92.1)%
Specialty Program	30,326	27.2%	96,739	20.3%	(66,413)	(68.7)%
Specialty Risk and Extended Warranty	57,905	51.9%	85,596	18.0%	(27,691)	(32.4)%
Total AmTrust Reinsurance	$ 111,514	100.0%	$ 475,849	100.0%	$ (364,335)	(76.6)%

For the Six Months Ended June 30,	2019		2018		Change in	
($ in thousands)	Total	% of Total	Total	% of Total	$	%
Net Premiums Earned						
Small Commercial Business	$ 62,738	23.3%	$ 609,223	63.0%	$ (546,485)	(89.7)%
Specialty Program	106,547	39.6%	185,233	19.1%	(78,686)	(42.5)%
Specialty Risk and Extended Warranty	100,039	37.1%	172,691	17.9%	(72,652)	(42.1)%
Total AmTrust Reinsurance	$ 269,324	100.0%	$ 967,147	100.0%	$ (697,823)	(72.2)%

Net Loss and Loss Adjustment Expenses — Net loss and LAE decreased by $244.7 million or 69.2% and $444.0 million or 64.2% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 due to significantly lower earned premiums as a result of the recent termination of both quota share agreements with AmTrust. Net loss and LAE ratios increased to 97.8% and 91.8% for the three and six months ended June 30, 2019, respectively, compared to 74.4% and 71.4% for the same respective periods in 2018.

During the three months ended June 30, 2019, the net loss and LAE ratio increased by 23.4 percentage points compared to the same period in 2018 primarily due to the following factors:

- the Partial Termination Amendment caused significant changes in the mix of business being earned in 2019 compared to 2018. These changes resulted in a higher current year loss ratio for the remaining in-force business; and
- the impact of adverse prior year loss development which was $27.1 million or 24.3 percentage points during the three months ended June 30, 2019, compared to $28.4 million or 6.0 percentage points for the same period in 2018. Prior year adverse development in 2019 was due to adverse development in Commercial Auto Liability in accident years 2014 to 2017, Specialty Risk and Hospital Liability, partly offset by favorable development in Workers Compensation. The 2018 adverse development was largely from Workers Compensation and General Liability.

During the six months ended June 30, 2019, the net loss and LAE ratio increased by 20.4 percentage points compared to the same period in 2018 primarily due to the following factors:

- the Partial Termination Amendment caused significant changes in the mix of business being earned in 2019 compared to 2018. These changes resulted in a higher current year loss ratio for the remaining in-force business; and
- the impact of adverse prior year loss development which was $35.2 million or 13.1 percentage points during the six months ended June 30, 2019, compared to $36.9 million or 3.8 percentage points for the same period in 2018. Prior year adverse development in 2019 was due to Commercial Auto Liability in accident years 2014 to 2018, partly offset by favorable development in Workers Compensation. The 2018 adverse development was due to Workers Compensation and General Liability, with a smaller contribution from Commercial Auto Liability, primarily driven by accident years 2015 and 2016.

Commission and Other Acquisition Expenses — Commission and other acquisition expenses decreased by $111.3 million or 72.8% and $208.2 million or 67.2% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018 due to significantly lower earned premiums as a result of recent terminations of both quota share agreements with AmTrust effective January 1, 2019.

The commission and other acquisition expense ratio increased to 37.2% and 37.8% for the three and six months ended June 30, 2019, respectively, compared to 32.1% for the same respective periods in 2018 driven by the increase in ceding commission payable for the remaining in-force business immediately prior to January 1, 2019 which increased by five percentage points (excluding Terminated Business) and related unearned premium as of January 1, 2019 under the Partial Termination Amendment. The increase in commission expenses due to the higher ceding commission rate payable was $6.5 million and $14.1 million, respectively, for the three and six months ended June 30, 2019.

General and Administrative Expenses — General and administrative expenses decreased slightly by $0.5 million or 48.1% and $0.2 million or 8.7% for the three and six months ended June 30, 2019, respectively, compared to the same respective periods in 2018. The general and administrative expense ratios increased to 0.5% and 0.7% for the three and six months ended June 30, 2019, respectively, compared to 0.2% for the same respective periods in 2018 as a result of significantly lower earned premiums due to the recent termination of both quota share agreements with AmTrust effective January 1, 2019.

The overall expense ratio (including commission and other acquisition expenses) increased to 37.7% and 38.5% for the three and six months ended June 30, 2019, respectively, compared to 32.3% for the same respective periods in 2018 primarily due to the increase in ceding commission payable under the Partial Termination Amendment as discussed above.

Liquidity and Capital Resources

Liquidity

Maiden Holdings is a holding company and transacts no business of its own. We therefore rely on cash flows in the form of dividends, advances, loans and other permitted distributions from our subsidiary companies to pay expenses and make dividend payments on our common and preference shares. The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements. Some jurisdictions also place restrictions on the declaration and payment of dividends and other distributions.

As discussed previously in the *"Overview to Critical Accounting Policies"*, the Partial Termination Amendment was effective as of January 1, 2019. During January 2019, as part of this amendment, the Company transferred cash and investments of $480.0 million to AII based on provisional estimates. On May 30, 2019, AII reported to Maiden the actual unearned premium applicable to the Terminated Business as of December 31, 2018. As the estimated unearned premium exceeded the actual unearned premium, AII returned the excess to Maiden Bermuda which was approximately $43.2 million.

The regulatory and liquidity requirements of the Company's operating segments are discussed in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* section included under Item 7 of our Annual Report on Form 10- K for the year ended December 31, 2018, filed with the SEC on March 14, 2019.

Pursuant to Bermuda law, the Company must ensure that the value of the group's assets exceeds the amount of the group's liabilities by the aggregate minimum margin of solvency of each qualifying member of the group ("Group MSM"). Since December 31, 2013, we have been required to maintain available group capital and surplus at a level equal to or in excess of the Group Enhanced Capital Requirement ("Group ECR") which is established by reference to either the Group Bermuda Solvency Capital Requirement ("Group BSCR") model or an approved group internal capital model.

As a result of the remediation measures implemented including, but not limited to, the transactions resulting from the Strategic Review, the LPT/ADC Agreement with Enstar and the Commutation and Release Agreement with AmTrust, which were both entered into on July 31, 2019, the Company and Maiden Bermuda will meet and exceed the respective MSM and ECR ratios required by the Bermuda insurance legislation. Further, as a result of these measures, we expect the relevant capital and solvency levels and ratios at both the Group and operating company level to continue to improve throughout the remainder of 2019. Consistent with the continuing recovery of our capital base, we remain actively engaged in ongoing discussions with the Bermuda Monetary Authority ("BMA") regarding the formulation of our longer term business plan, which will require the approval of the BMA for any new reinsurance business.

Finally, the amount of dividends that can be distributed from Maiden Bermuda is, under certain circumstances, limited under Bermuda law and Bermuda regulatory requirements, which requires our Bermuda operating subsidiary to maintain certain measures of solvency and liquidity in accordance with the BSCR. Presently, we have voluntarily undertaken with the BMA not to make any capital distributions of any kind, including the payment of any common or preference share dividends, without the express consent of the BMA.

Our sources of funds historically have consisted of premium receipts net of commissions and brokerage, investment income, net proceeds from capital raising activities, which may include the issuance of debt and common and preference shares, and proceeds from sales, maturities, paydowns and redemption of investments. Cash is used primarily to pay loss and LAE, ceded reinsurance premium, general and administrative expenses, interest expense and dividends, with the remainder in excess of our operating requirements, made available to our investment managers for investment in accordance with our investment policy.

Our business has undergone significant changes in the last year. As previously noted, the Strategic Review resulted in a series of transactions that have materially reduced the risk on our balance sheet and have transformed our operations. As a result of the transactions entered into from the Strategic Review, the Company's gross and net premiums written are and will continue to be materially lower in 2019 and investment income will become a significantly larger portion of our revenues. This has resulted in negative operating cash flow as detailed in the table below. We expect this trend to continue throughout the remainder of 2019.

We expect to use funds from cash and investment portfolios, collected premiums on reinsurance contracts in force or being run-off, investment income and proceeds from sales and redemptions of investments to meet expected claims payments and operational expenses. The premium for the LPT/ADC Agreement with Enstar and the Commutation and Release Agreement with AmTrust will be paid from restricted cash and investments. Claim payments will be principally from the run-off of existing reserves for losses and loss adjustment expenses. A significant portion of those liabilities are collateralized and claim payments will be funded by using this collateral which should provide sufficient funding to fulfill those obligations.We generally expect negative operating cash flows to be met or exceeded by positive investing cash flows. Overall, we expect our cash flows, together with our existing capital base and unrestricted cash and investments to be sufficient to meet our cash requirements and to operate our business.

The table below summarizes our operating, investing and financing cash flows for the six months ended June 30, 2019 and 2018:

For the Six Months Ended June 30,	2019	2018
	($ in thousands)	
Operating activities	$ (503,657)	$ 56,104
Investing activities	630,908	22,200
Financing activities	(13)	(42,208)
Effect of exchange rate changes on foreign currency cash	(177)	(820)
Total increase in cash, restricted cash and cash equivalents	127,061	35,276
Less: change in cash, restricted cash and cash equivalents of discontinued operations	(6,113)	2,030
Total increase in cash, restricted cash and cash equivalents of continuing operations	$ 133,174	$ 33,246

Cash Flows used in Operating Activities

Cash flows used in operating activities for the six months ended June 30, 2019 were $503.7 million compared to cash flows provided by operating activities of $56.1 million for the six months ended June 30, 2018, a decrease of $559.8 million. Cash flows used in discontinued operations were $1.8 million for the six months ended June 30, 2019 compared to $78.6 million in the six months ended June 30, 2018. Cash flows used in continuing operating activities were $501.8 million for the six months ended June 30, 2019 compared to cash flows provided by continuing operations of $134.7 million for the six months ended June 30, 2018.

The decrease in operating cash flows from continuing operations was primarily the result of the termination of the AmTrust Quota Share and European Hospital Liability Quota Share, including the Partial Termination Amendment, which significantly decreased gross premiums written during the six months ended June 30, 2019 compared to the same period in 2018. The decrease in operating cash flows also includes the new funds withheld arrangement with AmTrust in 2019. A total of $425.2 million cash and cash equivalents was transferred to AmTrust as a result of these transactions, as well as claims payments net of premium adjustments for the AmTrust Quota Share, during the six months ended June 30, 2019.

Cash Flows from Investing Activities

Cash flows from investing activities consist primarily of proceeds from the sales and maturities of investments and payments for investments acquired. The Company continues to deploy available cash for longer-term investments as investment conditions permit and to maintain, where possible, cash and cash equivalents balances at relatively low levels. Net cash provided by investing activities was $630.9 million for the six months ended June 30, 2019 compared to $22.2 million for the same period in 2018.

Cash flows used in discontinued operations was $6.1 million for the six months ended June 30, 2019 compared to cash flows provided by discontinued operations of $97.8 million for the same period in 2018. Cash flows provided by continuing operations was $637.0 million during the six months ended June 30, 2019 compared to cash flows used in continuing operations of $75.6 million for the same period in 2018 as the purchases of fixed maturity securities were lower and the proceeds from maturities and sales of fixed maturities were higher during the six months ended June 30, 2019 compared to the same period in 2018. During the six months ended June 30, 2019, the proceeds from the sales, maturities and calls exceeded the purchases of fixed maturity securities by $638.5 million compared to an outflow of $74.6 million for the same period in 2018.

Cash Flows from Financing Activities

Cash flows used in financing activities were $0.01 million for the six months ended June 30, 2019 compared to $42.2 million for the same period in 2018. No dividends on common or preference shares were paid during the six months ended June 30, 2019. Our Board of Directors have not declared any common or preference share dividends since the fourth quarter of 2018. The cash outflow during the six months ended June 30, 2018 primarily relates to dividends paid to holders of preference shares of $17.1 million and dividends paid to holders of common shares of $24.9 million.

Restrictions, Collateral and Specific Requirements

The Company's restrictions, collateral and specific requirements are discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 14, 2019.

At June 30, 2019 and December 31, 2018, restricted cash and cash equivalents and fixed maturity investments used as collateral were $2.9 billion and $4.0 billion, respectively. This collateral represents 83.6% and 91.9% of the fair value of our total fixed maturity investments and cash and cash equivalents (including restricted cash and cash equivalents) at June 30, 2019 and December 31, 2018, respectively.

Investments

The investment of our funds is designed to ensure safety of principal while generating current income. Accordingly, our funds are invested in liquid, investment-grade fixed income securities which are all designated as available-for-sale ("AFS") at June 30, 2019. Please see "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q.

During the six months ended June 30, 2019, the yield on the 10-year U.S. Treasury bond decreased by 69 basis points to 2.00%. The 10-year U.S. Treasury rate is the key risk-free determinant in the fair value of many of the securities in our AFS portfolio.

The continuing downward shift in the U.S. Treasury yield curve during the six months ended June 30, 2019 reflects a potentially more accommodative Federal Reserve policy for the remainder of 2019 primarily due to global trade tensions and uncertainty and investor appetite for relatively risk-free investments amid concerns regarding future global economic growth.

The movement in the market values of our AFS fixed maturity portfolio during the six months ended June 30, 2019 generated net unrealized gains of $87.8 million, primarily due to the recent trend of lower long-term interest rates along with lower inflation expectations as a result of slower global economic growth, both of which have increased bond prices during the six months ended June 30, 2019. Please see "*Liquidity and Capital Resources - Capital Resources*" on page 60 for further information.

At June 30, 2019, we consider the levels of cash and cash equivalents we are holding to be within our targeted ranges. During periods when interest rates experience greater volatility, we have periodically maintained more cash and cash equivalents in order to better assess current market conditions and opportunities within our defined risk appetite, and may do so in future periods. In order to limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves.

At June 30, 2019 and December 31, 2018, these respective durations in years were as follows:

	June 30, 2019	December 31, 2018
Fixed maturities and cash and cash equivalents	3.1	4.2
Reserve for loss and LAE	3.9	4.5

During the six months ended June 30, 2019, the weighted average duration of our fixed maturity investment portfolio decreased by 1.1 years to 3.1 years and the duration for the reserve for loss and LAE decreased by 0.6 years to 3.9 years. The differential in duration between these assets and liabilities may fluctuate over time and in the case of fixed maturities, historically has been affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both our agency mortgage-backed securities ("Agency MBS") and commercial mortgage-backed securities ("CMBS"). At June 30, 2019, the duration of our fixed maturity investment portfolio had decreased compared to December 31, 2018 as we had sold fixed maturities in anticipation of entering into the LPT/ADC Agreement with Enstar prior to that date as the premium is to be paid in cash. Furthermore, upon entering into both the LPT/ADC Agreement with Enstar and the Commutation and Release Agreement with AmTrust, we anticipate that the duration of our reserve for loss and LAE will decrease also and the differential between asset and liability duration will narrow. We expect to make further adjustments to return that differential to its historical range as the effects of the LPT/ADC Agreement with Enstar and the Commutation and Release Agreement with AmTrust on liability duration are confirmed.

The average yield and average duration of our fixed maturities, by asset class, and our cash and cash equivalents (restricted and unrestricted) are as follows:

June 30, 2019	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield[1]	Average duration[2]
AFS fixed maturities			($ in thousands)			
U.S. treasury bonds	$ 365,953	$ 1,153	$ (3)	$ 367,103	2.1%	0.4
U.S. agency bonds – mortgage-backed	950,301	9,299	(3,203)	956,397	2.9%	5.4
U.S. agency bonds – other	51,875	4	(1)	51,878	2.1%	0.0
Non-U.S. government and supranational bonds	29,321	313	(298)	29,336	3.1%	3.2
Asset-backed securities	220,938	681	(553)	221,066	4.2%	0.8
Corporate bonds	1,310,870	37,115	(15,258)	1,332,727	3.0%	3.9
Municipal bonds	12,949	142	—	13,091	3.8%	1.9
Total AFS fixed maturities	2,942,207	48,707	(19,316)	2,971,598	3.0%	3.7
Cash and cash equivalents	464,163	—	—	464,163	2.2%	0.0
Total	$ 3,406,370	$ 48,707	$ (19,316)	$ 3,435,761	2.8%	3.1

December 31, 2018	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield[(1)]	Average duration[(2)]
AFS fixed maturities		($ in thousands)				
U.S. treasury bonds	$ 138,625	$ 448	$ (1)	$ 139,072	2.6%	1.1
U.S. agency bonds – mortgage-backed	1,485,716	3,491	(36,073)	1,453,134	3.0%	5.8
U.S. agency bonds – other	129,741	40	(548)	129,233	2.8%	1.0
Non-U.S. government and supranational bonds	11,212	66	(1,206)	10,072	3.4%	5.1
Asset-backed securities	216,072	425	(1,415)	215,082	4.2%	2.4
Corporate bonds	1,128,614	6,525	(30,164)	1,104,975	3.0%	4.3
Total AFS fixed maturities	3,109,980	10,995	(69,407)	3,051,568	3.1%	4.6
HTM fixed maturities						
Corporate bonds	957,845	3,872	(20,990)	940,727	3.7%	4.4
Municipal bonds	57,836	—	(551)	57,285	3.2%	4.0
Total HTM fixed maturities	1,015,681	3,872	(21,541)	998,012	3.7%	4.4
Cash and cash equivalents	330,989	—	—	330,989	2.1%	0.0
Total	$ 4,456,650	$ 14,867	$ (90,948)	$ 4,380,569	3.1%	4.2

(1) Average yield is calculated by dividing annualized investment income for each sub-component of AFS and HTM securities and cash and cash equivalents (including amortization of premium or discount) by amortized cost.
(2) Average duration in years.

At June 30, 2019, 94.9% of the Company's U.S. agency bond holdings are mortgage-backed. Additional details on the Agency MBS at June 30, 2019 and December 31, 2018 were as follows:

	June 30, 2019		December 31, 2018	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
U.S. agency bonds - mortgage-backed				
Residential mortgage-backed ("RMBS")				
GNMA – fixed rate	$ 104,106	10.3%	$ 152,626	9.6%
GNMA – variable rate	7,812	0.8%	10,773	0.7%
FNMA – fixed rate	467,870	46.4%	742,749	46.9%
FHLMC – fixed rate	376,609	37.4%	546,986	34.6%
Total U.S. agency bonds - mortgage-backed	956,397	94.9%	1,453,134	91.8%
U.S. agency bonds - fixed rate	51,878	5.1%	129,233	8.2%
Total U.S. agency bonds	$ 1,008,275	100.0%	$ 1,582,367	100.0%

Our Agency MBS portfolio is 32.2% of our fixed maturity investments at June 30, 2019. Given the relative size of this portfolio to our total investments, if faster prepayment patterns were to occur over an extended period of time, this could potentially limit the growth in our investment income in certain circumstances, or even potentially reduce the total amount of investment income we earn.

At June 30, 2019 and December 31, 2018, 99.1% and 98.7%, respectively, of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an S&P credit rating of BB+, or equivalent, or less. Please see "*Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments*" for additional information on the credit rating of our fixed income portfolio.

The security holdings by sector and financial strength rating of our corporate bond holdings at June 30, 2019 and December 31, 2018 were as follows:

June 30, 2019	Ratings(1) AAA	AA+, AA, AA-	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
Corporate bonds						($ in thousands)	
Basic Materials	—%	—%	0.5%	1.0%	—%	$ 19,690	1.5%
Communications	—%	1.0%	2.7%	3.0%	—%	89,481	6.7%
Consumer	—%	0.4%	14.6%	14.7%	0.4%	400,755	30.1%
Energy	—%	0.7%	5.4%	2.4%	—%	113,111	8.5%
Financial Institutions	—%	2.9%	30.1%	9.5%	0.4%	571,472	42.9%
Industrials	—%	—%	1.5%	3.8%	—%	70,872	5.3%
Technology	—%	0.6%	2.0%	1.3%	1.1%	67,346	5.0%
Total	—%	5.6%	56.8%	35.7%	1.9%	$ 1,332,727	100.0%

December 31, 2018	Ratings(1) AAA	AA+, AA, AA-	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds portfolio
Corporate bonds						($ in thousands)	
Basic Materials	—%	—%	0.8%	2.1%	0.7%	$ 73,696	3.6%
Communications	—%	0.9%	2.7%	5.0%	—%	175,924	8.6%
Consumer	—%	0.2%	13.0%	16.0%	0.3%	602,756	29.5%
Energy	—%	1.4%	3.9%	3.6%	0.7%	195,259	9.6%
Financial Institutions	0.1%	3.1%	26.8%	9.8%	0.3%	822,245	40.1%
Industrials	—%	—%	1.3%	3.7%	—%	103,349	5.0%
Technology	—%	0.7%	1.4%	0.9%	0.6%	72,473	3.6%
Total	0.1%	6.3%	49.9%	41.1%	2.6%	$ 2,045,702	100.0%

(1) Ratings as assigned by S&P, or equivalent

At June 30, 2019, the Company’s ten largest corporate holdings, 90.2% of which are U.S. dollar denominated and 51.2% of which are in the Financial Institutions sector, at fair value and as a percentage of all fixed income securities were as follows:

June 30, 2019	Fair Value	% of Holdings Based on Fair Value of All Fixed Income Securities	Rating(1)
	($ in thousands)		
Gilead Sciences Inc, 3.65% Due 3/1/2026	$ 21,115	0.7%	A
Brookfield Asset Management Inc, 4.00%, Due 1/15/2025	20,843	0.7%	A-
Rabobank Nederland Utrec, 3.875% Due 2/8/2022	19,878	0.7%	A+
BNP Paribas, 5.00% Due 1/15/2021	19,874	0.7%	A+
Nissan Motor Acceptance Corp, 3.875%, Due 9/21/2023	18,977	0.6%	A-
Electricite de France, 4.625%, Due 9/11/2024	18,079	0.6%	A-
UBS Group Funding (Jersey) Ltd, 2.65% Due 2/1/2022	17,085	0.6%	A-
Bank of New York Mellon Corp, 3.00%, Due 2/24/2025	16,454	0.6%	A
Pepsico Inc., 3.60%, Due 3/1/2024	15,924	0.5%	A+
BAE Systems (Holdings) Ltd., 3.80%, Due 10/7/2024	15,701	0.5%	BBB
Total	$ 183,930	6.2%	

(1) Ratings as assigned by S&P, or equivalent

At June 30, 2019 and December 31, 2018, respectively, we hold the following non-U.S. dollar denominated securities:

	June 30, 2019		December 31, 2018	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Non-U.S. dollar denominated corporate bonds	$ 318,503	96.3%	$ 338,712	97.1%
Non-U.S. government and supranational bonds	12,180	3.7%	10,072	2.9%
Total non-U.S. dollar denominated AFS securities	$ 330,683	100.0%	$ 348,784	100.0%

At June 30, 2019 and December 31, 2018, respectively, these non-U.S. securities are invested in the following currencies:

	June 30, 2019		December 31, 2018	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Euro	$ 281,450	85.1%	$ 284,440	81.6%
British Pound	41,532	12.6%	37,469	10.7%
Canadian Dollar	5,390	1.6%	5,658	1.6%
All other currencies	2,311	0.7%	21,217	6.1%
Total non-U.S. dollar denominated AFS securities	$ 330,683	100.0%	$ 348,784	100.0%

The net decrease in non-U.S. denominated fixed maturities is primarily due to sales of Australian dollar denominated corporate bonds during the six months ended June 30, 2019. At June 30, 2019 and December 31, 2018, all of the Company's non-U.S. government and supranational issuers have a rating of A or higher by S&P.

For our non-U.S. dollar denominated corporate bonds, the following table summarizes the composition of the fair value of our fixed maturity investments at the dates indicated by ratings:

Ratings[(1)]	June 30, 2019		December 31, 2018	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
AAA	$ 500	0.2%	$ 2,258	0.7%
AA+, AA, AA-	19,713	6.2%	28,725	8.5%
A+, A, A-	142,533	44.7%	148,204	43.7%
BBB+, BBB, BBB-	144,987	45.5%	148,672	43.9%
BB+ or lower	10,770	3.4%	10,853	3.2%
Total non-U.S. dollar denominated corporate bonds	$ 318,503	100.0%	$ 338,712	100.0%

(1) Ratings as assigned by S&P, or equivalent

The Company does not employ any credit default protection against any of the fixed maturities held in non-U.S. denominated currencies at June 30, 2019 and December 31, 2018, respectively.

Other Balance Sheet Changes

The following table summarizes the Company's other material balance sheet changes at June 30, 2019 and December 31, 2018:

($ in thousands)	June 30, 2019	December 31, 2018	Change	Change %
Deferred commission and other acquisition expenses	$ 113,630	$ 388,442	$ (274,812)	(70.7)%
Funds withheld receivable	681,272	27,039	654,233	2,419.6 %
Unearned premiums	322,166	1,200,419	(878,253)	(73.2)%
Liability for investments purchased	298,939	—	298,939	NM
Accrued expenses and other liabilities	14,805	65,494	(50,689)	(77.4)%

NM - not meaningful

The Company's deferred commission and other acquisition expenses decreased by 70.7% and unearned premiums decreased by 73.2% primarily due to the Partial Termination Amendment with AmTrust which resulted in Maiden Bermuda returning approximately $648.0 million in unearned premium to AII, or approximately $436.8 million, net of applicable deferred commission and other acquisition expenses of $211.2 million. The amounts further declined due to the termination of the remaining business under both quota share contracts with AmTrust which are now in run-off with no new business written beginning January 1, 2019. Accrued expenses and other liabilities decreased by 77.4% as at June 30, 2019 compared to December 31, 2018 due to reductions in the reinsurance balances payable as a result of the termination of both AmTrust reinsurance contracts effective January 1, 2019.

Funds withheld receivable increased by $654.2 million due to the conversion of a portion of the existing trust accounts used for collateral on the AmTrust Quota Share into a funds withheld arrangement and the establishment of a funds withheld arrangement on the AIU DAC portion of the European Hospital Liability Quota Share, which is a permitted collateral option under each respective agreement, during the six months ended June 30, 2019. The liability for investments purchased increased by $298.9 million due to timing on investment trades primarily within the trust accounts used for collateral on the AmTrust Quota Share which were settled using restricted cash subsequent to June 30, 2019.

Capital Resources

Capital resources consist of funds deployed in support of our operations. In the six months ended June 30, 2019, our total capital resources increased by $36.3 million, or 4.4% compared to December 31, 2018 due to the favorable movement in unrealized gains on our investment portfolio partly offset by a net loss attributable to common shareholders. The Company's management believes its current sources of liquidity are adequate to meet its cash requirements for the next twelve months. The following table shows the movement in total capital resources at June 30, 2019 and December 31, 2018:

($ in thousands)	June 30, 2019	December 31, 2018	Change	Change %
Preference shares	$ 465,000	$ 465,000	$ —	—%
Common shareholders' equity	125,572	89,275	36,297	40.7%
Total Maiden shareholders' equity	590,572	554,275	36,297	6.5%
Senior Notes - principal amount	262,500	262,500	—	—%
Total capital resources	$ 853,072	$ 816,775	$ 36,297	4.4%

The major factors contributing to the net increase in capital resources were as follows:

Maiden shareholders' equity

Total shareholders' equity at June 30, 2019 increased by $36.3 million, or 6.5%, compared to December 31, 2018 primarily due to the following factors:

- net increase in AOCI of $86.8 million which arose due to: 1) an increase in net unrealized gains on investment of $89.0 million resulting from the net increase in the fair value of our investment portfolio relating to market price movements due to declining interest rates during the six months ended June 30, 2019; offset by 2) a decrease in cumulative translation adjustments of $2.3 million due to the effect of the recent depreciation of the euro and British pound relative to the original currencies on our non-U.S. dollar net liabilities (excluding non-U.S. dollar denominated AFS fixed maturities);
- net increase in share based transactions of $1.6 million; and partly offset by
- net loss attributable to Maiden of $52.0 million. Please see the discussion of the Company's net loss for the six months ended June 30, 2019 on page 43 of the "*Results of Operations*".

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. During the six months ended June 30, 2019, the Company did not repurchase any common shares under its share repurchase authorization. At June 30, 2019, the Company has a remaining authorization of $74.2 million for share repurchases.

Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 12. Shareholders' Equity*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q for a discussion of the equity instruments issued by the Company at June 30, 2019 and December 31, 2018.

Senior Notes

There were no changes in the Company's Senior Notes at June 30, 2019 compared to December 31, 2018 and the Company did not enter into any short-term borrowing arrangements during the six months ended June 30, 2019. Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q for a discussion of the Company's Senior Notes.

Financial Strength Ratings

In February 2019, we requested from A.M. Best to withdraw our financial strength rating. On February 28, 2019, A.M. Best approved the withdrawal with a final rating as "B++" (Good) with negative outlook and implications as previously disclosed in the "*Financial Strength Ratings*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Aggregate Contractual Obligations

In the normal course of business, the Company is a party to a variety of contractual obligations as summarized in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. These contractual obligations are considered by the Company when assessing its liquidity requirements and the Company is confident in its ability to meet all of its obligations. As a result of the adoption of *Topic 842* accounting standard for leases on January 1, 2019, the Company's contractual operating lease obligations have been capitalized at the net present value of future lease payments on the Company's Condensed Consolidated Balance Sheet at June 30, 2019. Please refer to "*Notes to Condensed Consolidated Financial Statements (unaudited) Note 10. Commitments and Contingencies*" included under Part I Item 1 "*Financial Information"* of this Form 10-Q for a discussion of the Company's Operating Lease Obligations. There are no other material changes from what was disclosed in the Company's table of contractual obligations included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro, the British pound, the Australian dollar and the Canadian dollar. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, in order to minimize this risk, we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be adversely affected. At June 30, 2019, no such hedges or hedging strategies were in force or had been entered into. We measure monetary assets and liabilities denominated in foreign currencies at period end exchange rates, with the resulting foreign exchange gains and losses recognized in the Condensed Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the period. The effect of the translation adjustments for foreign operations is included in AOCI.

Net foreign exchange gains amounted to $1.2 million and $1.9 million during the three and six months ended June 30, 2019, respectively, compared to $4.8 million and $2.4 million for the same respective periods in 2018.

Effects of Inflation

The anticipated effects of inflation are considered explicitly in the pricing of the insured exposures, which are used as the initial estimates of reserves for loss and LAE. In addition, inflation is also implicitly accounted for in subsequent estimates of loss and LAE reserves, as the expected rate of emergence is in part predicated upon the historical levels of inflation that impact ultimate claim costs. To the extent inflation causes these costs, particularly medical treatments and litigation costs, to vary from the assumptions made in the pricing or reserving estimates, the Company will be required to change the reserve for loss and LAE with a corresponding change in its earnings in the period in which the variance is identified. The actual effects of inflation on the results of operations of the Company cannot be accurately known until claims are ultimately settled.

Off-Balance Sheet Arrangements

At June 30, 2019, we did not have any off-balance sheet arrangements as defined by Item 303(a) (4) of Regulation S-K.

Recent Accounting Pronouncements

See "*Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies*" for a discussion on recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk that we will incur losses in our investments due to adverse changes in market rates and prices. Market risk is directly influenced by the volatility and liquidity in the market in which the related underlying assets are invested. We believe that we are principally exposed to three types of market risk: changes in interest rates, changes in credit quality of issuers of investment securities and reinsurers and changes in foreign exchange rates.

Interest Rate Risk

Interest rate risk is the risk that we may incur economic losses due to adverse changes in interest rates. The primary market risk to the investment portfolio is interest rate risk associated with investments in fixed maturity securities. Fluctuations in interest rates have a direct impact on the market valuation of these securities. At June 30, 2019, we had AFS fixed maturity securities with a fair value of $3.0 billion that are subject to interest rate risk.

The table below summarizes the interest rate risk associated with our fixed maturity securities by illustrating the sensitivity of the fair value and carrying value of our fixed maturity securities at June 30, 2019 to selected hypothetical changes in interest rates, and the associated impact on our shareholders' equity. Temporary changes in the fair value of our fixed maturity securities that are held as AFS do impact the carrying value of these securities and are reported in our shareholders' equity as a component of AOCI. The selected scenarios in the table below are not predictions of future events, but rather are intended to illustrate the effect such events may have on the fair value of our AFS fixed maturity securities and on our shareholders' equity at June 30, 2019:

Hypothetical Change in Interest Rates	Fair Value	Estimated Change in Fair Value	Hypothetical % (Decrease) Increase in Shareholders' Equity
	($ in thousands)		
200 basis point increase	$ 2,735,561	$ (236,037)	(40.0)%
100 basis point increase	2,853,606	(117,992)	(20.0)%
No change	2,971,598	—	— %
100 basis point decrease	3,081,664	110,066	18.6 %
200 basis point decrease	3,187,226	215,628	36.5 %

The interest rate sensitivity on the $168.0 million loan to related party means that a change in interest rates would impact our earnings and cash flows but would not affect the carrying value of the loan, which is carried at cost. Effective December 18, 2017, the loan carries an interest rate equivalent to the Federal Funds Effective Rate plus 200 basis points per annum. Therefore, an increase of 100 and 200 basis points in the Federal Funds Effective Rate would increase our earnings and cash flows by $1.7 million and $3.4 million, respectively, on an annual basis.

Counterparty Credit Risk

The concentrations of the Company's counterparty credit risk exposures have not changed materially compared to December 31, 2018. The Company has exposure to credit risk primarily as a holder of fixed income securities. The Company controls this exposure by emphasizing investment grade credit quality in the fixed income securities it purchases. The table below summarizes the credit ratings by major rating category of the Company's fixed maturity investments at June 30, 2019 and December 31, 2018:

Ratings[(1)]	June 30, 2019	December 31, 2018
AA+ or better	50.6%	46.3%
AA, AA-, A+, A, A-	31.8%	31.4%
BBB+, BBB, BBB-	16.7%	21.0%
BB+ or lower	0.9%	1.3%
	100.0%	100.0%

(1) Ratings as assigned by S&P, or equivalent

The Company believes this high quality concentration reduces its exposure to credit risk on fixed income investments to an acceptable level. At June 30, 2019, the Company is not exposed to any significant credit concentration risk on its investments, excluding securities issued by the U.S. government and agencies which are rated AA+ (please see "*Liquidity and Capital Resources - Investments"* on page 55), with the largest corporate issuer and the top ten corporate issuers accounting for only 0.7% and 6.2% of the Company's total fixed income securities, respectively.

The Company is subject to the credit risk of its cedants in the event of their insolvency or their failure to honor the value of the funds withheld balances due to the Company for any other reason. However, the Company's credit risk in some jurisdictions is mitigated by a mandatory or contractual right of offset of amounts payable by the Company to a cedant against amounts due to the Company. In certain other jurisdictions, the Company is able to mitigate this risk, depending on the nature of the funds withheld arrangements, to the extent that the Company has the contractual ability to offset any shortfall in the payment of the funds held balances with amounts owed by the Company to cedants for losses payable and other amounts contractually due.

On January 11, 2019, a portion of the existing trust accounts used for collateral on the AmTrust Quota Share were converted to a funds withheld arrangement. The Company transferred cash and investments of $575.0 million to AmTrust which bears an interest rate of 3.5%, subject to annual adjustment. At June 30, 2019, the balance of funds withheld was $575.0 million and the accrued interest was $5.0 million. Also, in January 2019, AIU DAC requested that Maiden Bermuda provide collateral to secure its proportional share under the European Hospital Liability Quota Share agreement. Accordingly, Maiden Bermuda transferred cash of €45.1 million ($51.2 million) to AIU DAC as a funds withheld receivable. AIU DAC will pay Maiden a fixed annual interest rate of 0.50%, on the average daily Funds Withheld balance, commencing on January 24, 2019, subject to annual adjustment. At June 30, 2019, the balance of funds withheld was €45.1 million ($58.1 million) and the accrued interest was $0.1 million. We are subject to the credit risk that AII and/or AmTrust will fail to reimburse Maiden Bermuda for these funds that AmTrust's U.S. insurance company subsidiaries retain and the income on those assets.

The Company also has exposure to credit risk as it relates to its reinsurance balances receivable. Reinsurance balances receivable from the Company's clients at June 30, 2019 were $67.6 million, including balances both currently due and accrued. We are also subject to the credit risk that AII and/or AmTrust will fail to perform their obligations to pay interest on and repay the principal pursuant to its loan agreement with Maiden Bermuda, and to reimburse Maiden Bermuda for any assets or other collateral of Maiden that AmTrust's U.S. insurance company subsidiaries apply or retain, and income on those assets.

The Company believes that credit risk related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process and monitoring of aged receivable balances. In addition, as the vast majority of its reinsurance agreements permit the Company the right to offset reinsurance balances receivable and funds withheld from losses payable to them, the Company believes that the credit risk in this area is substantially reduced. Provisions are made for amounts considered potentially uncollectible. There was no allowance for uncollectible reinsurance balances receivable at June 30, 2019.

Foreign Currency Risk

The Company is generally able to match foreign currency denominated assets against its net reinsurance liabilities both by currency and duration to protect the Company against foreign exchange and interest rate risks. However, a natural offset does not exist for all currencies.

We may employ various strategies to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be reduced by fluctuations in foreign currency exchange rates and could materially adversely affect our financial condition and results of operations. At June 30, 2019, no hedging instruments have been entered into. Our principal foreign currency exposure is to the euro and British pound, however, assuming all other variables remain constant and disregarding any tax effects, a strengthening (weakening) of the U.S. dollar exchange rate of 10% or 20% relative to the non-U.S. currencies held by the Company would result in a decrease (increase) in the Company's net assets of $18.3 million and $36.5 million, respectively.

Item 4. Controls and Procedures

Our management, with the participation and under the supervision of our Chief Executive Officer and Chief Financial Officer, have evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosures. Our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such disclosure controls and procedures were effective. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide an absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

During the most recent fiscal quarter, there were no changes in the Company's internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "*Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 10. Commitments and Contingencies*" for an update on legal matters. Except as disclosed above, there are no material changes from the legal proceedings previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 1A. Risk Factors

Our business is subject to a number of risks, including those identified in Item 1A. of Part I of our Annual Report on Form 10-K for the year ended December 31, 2018, that could have a material adverse effect on our business, results of operations, financial condition and/or liquidity and that could cause our operating results to vary significantly from period to period. The risks described in our 2018 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could have a material adverse effect on our business, results of operations, financial condition and/or liquidity.

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 2. Unregistered Sales of Equity and Use of Proceeds

Items 2. (a) and (b) are not applicable.

2. (c) Share Repurchases

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. There were no share repurchases made during the three months ended June 30, 2019 under the share repurchase authorization.

For the Three Months Ended June 30, 2019	Total number of shares repurchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (a)	Dollar amount still available under trading plan
				($ in thousands)
April 1, 2019 - April 30, 2019	—	—	—	$ 74,245
May 1, 2019 - May 31, 2019	23,038	$ 0.77	—	74,245
June 1, 2019 - June 30, 2019	—	—	—	74,245
Total	23,038	0.77	—	74,245

Subsequent to the three months ended June 30, 2019 and through the period ended August 9, 2019, the Company did not repurchase any additional common shares which represent withholdings in respect of tax obligations on the vesting of performance based shares.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

<u>Executive Ownership and Sales</u>

From time to time, some of the Company’s executives may determine that it is advisable to diversify their investments for personal financial planning reasons, or may seek liquidity for other reasons, and may sell common shares of the Company in the open market, in private transactions or to the Company. To effect such sales, some of the Company’s executives have entered into, and may in the future enter into, trading plans designed to comply with the Company’s Insider Trading and Outside Investments Policy and the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934. The trading plans will not reduce any of the executives’ ownership of the Company’s shares below the applicable executive stock ownership guidelines. The Company does not undertake any obligation to report Rule 10b5-1 plans that may be adopted by any employee or director of the Company in the future, or to report any modifications or termination of any publicly announced plan.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Section 302 Certification of CEO
31.2	Section 302 Certification of CFO
32.1	Section 906 Certification of CEO
32.2	Section 906 Certification of CFO
10.1	Adverse Development Cover Agreement by and between Maiden Reinsurance Ltd. and Cavello Bay Reinsurance Limited, dated July 31, 2019
10.2	Commutation Agreement and Release between Maiden Reinsurance Ltd. and AmTrust International Insurance, dated July 31, 2019
10.3	Post-Termination Endorsement No.1 between Maiden Reinsurance Ltd. and AmTrust International Insurance to the Amended and Restated Quota Share Reinsurance Contract, dated July 31, 2019
10.4	Master Collateral Agreement between Maiden Reinsurance Ltd., Cavello Bay Reinsurance Limited, AmTrust Financial Services, Inc., AmTrust International Insurance, Ltd. and Technology Insurance Company, Inc., dated July 31, 2019
101.1	The following materials from Maiden Holdings, Ltd. Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, formatted in iXBRL (Inline eXtensive Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets, (ii) the unaudited Condensed Consolidated Statements of Income, (iii) the unaudited Condensed Consolidated Statements of Comprehensive Income, (iv) the unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity, (v) the unaudited Condensed Consolidated Statements of Cash Flows, and (vi) Notes to unaudited Condensed Consolidated Financial Statements.

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.

MAIDEN HOLDINGS, LTD.

By:

August 9, 2019

/s/ Lawrence F. Metz

Lawrence F. Metz
President and Chief Executive Officer

/s/ Patrick J. Haveron

Patrick J. Haveron
Chief Financial Officer

EXECUTION VERSION

ADVERSE DEVELOPMENT COVER AGREEMENT

by and between

MAIDEN REINSURANCE LTD.

and

CAVELLO BAY REINSURANCE LIMITED

Effective as of January 1, 2019

ADVERSE DEVELOPMENT COVER AGREEMENT

This ADVERSE DEVELOPMENT COVER AGREEMENT, dated as of July 31, 2019 and effective as of January 1, 2019 (this "Agreement"), is made by and between Maiden Reinsurance Ltd., a Bermuda insurance company ("Maiden Re"), and Cavello Bay Reinsurance Limited, a Bermuda insurance company (the "Retrocessionaire"). Capitalized terms used but not otherwise defined herein have the respective meaning set forth in Section 1.1.

RECITALS

WHEREAS, certain insurance companies owned directly or indirectly by AmTrust Financial Services, Inc., a Delaware corporation ("AmTrust"), (collectively, the "Original Cedents" and each, an "Original Cedent"), have issued the Reinsured Policies constituting the Underlying Business;

WHEREAS, the Original Cedents have ceded a quota share portion of the liabilities arising under the Reinsured Policies to AmTrust International Insurance, Ltd. ("AII");

WHEREAS, Maiden Re has entered into the Existing Quota Share Agreement, whereby AII ceded and Maiden Re assumed, among other liabilities, the Covered Losses;

WHEREAS, Maiden Holdings, Ltd., a Bermuda company ("Maiden"), Maiden Re, and Enstar Group Limited, a Bermuda company ("Enstar"), entered into a Master Agreement on March 1, 2019 (the "Master Agreement") pursuant to which the parties agreed to enter into this Agreement on the Closing Date;

WHEREAS, pursuant to this Agreement, Maiden Re will retrocede, and the Retrocessionaire will assume, one hundred percent (100%) of the liability of Maiden Re, as reinsurer, for Covered Losses under the Existing Quota Share Agreement in excess of the Retention and up to the Aggregate Limit, subject to the terms and conditions hereof;

WHEREAS, as of the date hereof AII and Maiden Re have entered into that certain Post-Termination Endorsement No. 1 ("Post-Termination Endorsement No. 1") to the Existing Quota Share Agreement pursuant to which, among other things, AII shall be responsible, and the Maiden Re shall not indemnify AII, for certain losses that would otherwise be recoverable from Maiden Re thereunder;

WHEREAS, one of the Original Cedents, Technology Insurance Company, Inc. ("Technology"), is willing to release certain funds held in a trust account for the benefit of the Original Cedents, to the Retrocessionaire to fund the Retrocession Premium hereunder in exchange for the Retrocessionaire posting alternative collateral related to the Subject Business;

WHEREAS, such alternative collateral will be posted pursuant to a Master Collateral Agreement entered into on the date hereof by and among Maiden Re, the Retrocessionaire, AII and Technology (the "Master Collateral Agreement"); and

WHEREAS, pursuant to the Master Collateral Agreement, the Retrocessionaire will establish certain collateral on behalf of Maiden Re for the benefit of Technology in support of the Covered Losses reinsured under this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, Maiden Re and the Retrocessionaire (each individually, a "Party" and collectively, the "Parties") hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"Administrative Triggering Event" means the occurrence of any of the following events:

(i) the appointment of a conservator, liquidator, receiver or statutory successor of Maiden Re;

(ii) the direct or indirect acquisition by any Person or group of Persons acting in concert of 50% or more of the outstanding common shares of Maiden or Maiden Re other than Barry D. Zyskind, George Karfunkel or Leah Karfunkel, or their respective Affiliates, acting alone or in concert with each other or other Persons;

(iii) the approval by the shareholders of Maiden or Maiden Re of (A) a reorganization, merger or consolidation by reason of which persons were the shareholders of either such company immediately prior to such transaction do not, immediately thereafter, own more than 50% of the combined voting power of the reorganized, merged or consolidated company's then outstanding voting shares, or (B) the sale transfer, lease or other disposition of all or substantially all of the assets of either of such companies, in each case, other than a transaction in which Barry D. Zyskind, George Karfunkel or Leah Karfunkel, or their respective Affiliates, acting alone or in concert with each other or other Persons acquire ownership and control of such voting shares or assets;

(iv) the direct or indirect acquisition of 20% or more of the outstanding common shares or voting power of Maiden or Maiden Re or 20% or more of the assets of either of such companies by a Run-Off Company, except in connection with a transaction in which Enstar Group Limited (or an Affiliate thereof) acquires ownership and control of common shares or voting shares of Maiden or Maiden Re. A "Run-Off Company" means (i) any Person that derives the majority of its earnings from the run-off of legacy liabilities acquired from or managed for third parties and (ii) the Persons listed as "Run-Off Companies" (or any of their respective Affiliates) in that certain letter delivered by the Retrocessionaire to Maiden Re on the date hereof and in connection with the execution and delivery of this Agreement;

(v) the Amount of Collateral posted by the Retrocessionaire under the Master Collateral Agreement either exceeds (Y) $498,000,000 in any calendar quarter or (Z) $445,000,000 for a period of three consecutive calendar quarters; or

(vi) the Retrocessionaire has paid Maiden Re or any Original Cedent for any Ultimate Net Loss under this Agreement.

"Affiliate" means, with respect to any Person, another Person that, directly or indirectly, controls, is controlled by, or is under common control with, such first Person, where "control," including the terms "controlling," "controlled by" and "under common control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Limit" means $600,000,000.

"Agreement" has the meaning set forth in the Preamble.

"AII" has the meaning set forth in the Recitals.

"Amount of Collateral" has the meaning set forth in the Master Collateral Agreement.

"AmTrust" has the meaning set forth in the Recitals.

"Applicable Law" means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules or regulations, in each case applicable to any Party, and any Order applicable to any Party.

"Books and Records" means originals or copies of all records and all other data and information (in whatever form maintained) in the possession or control of Maiden, Maiden Re or their respective Affiliates to the extent relating to the Underlying Business, including (i) administrative records, (ii) claim records, (iii) policy files, (iv) sales records, (v) files and records relating to Applicable Law, (vi) underwriting records and (vii) accounting records, but excluding (a) Tax Returns, (b) files, records, data and information with respect to employees, (c) records, data and information with respect to any employee benefit plan, (d) any materials or other information the disclosure or transfer of which would violate Applicable Law and (e) any internal drafts, opinions, valuations, correspondence or other materials prepared in connection with the negotiation, valuation and consummation of the transactions contemplated by the Master Agreement.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks in New York City or Bermuda are required or authorized by law to be closed.

"Claims" means any monetary demand, suit, occurrence or loss, actual or alleged, arising out of or in connection with the Reinsured Policies.

"Closing Date" has the meaning set forth in the Master Agreement.

"Closing Statement" has the meaning set forth in the Master Agreement.

"Commutation Agreement" means that certain Commutation and Release Agreement by and between AII and Maiden Re entered into on the date hereof.

"Commuted Covered Losses" means all losses and related amounts under the Existing Quota Share Agreement that are commuted under the Commutation Agreement, as and when such losses are paid or settled by AII or its Affiliates, provided that such losses and other related amounts shall not exceed $312,785,677.

"Covered Losses" means those Claims payable by Maiden Re after the Effective Time under the Existing Quota Share Agreement with respect to the Underlying Business, including all amounts payable in respect of allocated loss adjustment expenses, excess of policy limit payments and extra contractual obligations, but limited to those Claims incurred (whether or not reported) on or before December 31, 2018. For the avoidance of doubt, Covered Losses shall not include (i) any Claims under the Existing Quota Share Agreement incurred after December 31, 2018, (ii) any Excluded Liabilities and (iii) Other Commuted Covered Losses.

"Damages" has the meaning set forth in Section 11.1.

"Effective Date" means January 1, 2019.

"Effective Time" means 12:01 a.m. Eastern time on the Effective Date.

"Enstar" has the meaning set forth in the Recitals.

"Excluded Liabilities" has the meaning set forth in Section 2.5(d).

"Existing Quota Share Agreement" means that certain Amended and Restated Quota Share Reinsurance Agreement between AII and Maiden Re dated as of July 1, 2007, as amended.

"Governmental Authority" means any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous.

"Maiden" has the meaning set forth in the Recitals.

"Maiden Re" has the meaning set forth in the Preamble.

"Master Agreement" has the meaning set forth in the Recitals.

"Master Collateral Agreement" has the meaning set forth in the Recitals.

"Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Original Cedents" has the meaning set forth in the Recitals.

"Other Commuted Covered Losses" means (i) all losses and related amounts paid or settled by Maiden Re with respect to the Commuted Business (as defined in the Commutation Agreement) from January 1, 2019 through the date hereof, which shall not exceed $17,895,838 in the aggregate, less (ii) any recoverables under third party reinsurance agreements (other than this Agreement) with respect to such losses and related amounts, whether actually collected or not, by or on behalf of Maiden Re and any other recoveries actually collected with respect to such losses and related amounts by or on behalf of Maiden Re, in each case, to the extent such recoverables and recoveries are not taken into account in determining the amount described in the foregoing clause (i).

"Party" or "Parties" has the meaning set forth in the Recitals.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, association, trust, unincorporated organization, Governmental Authority or other entity.

"Post-Termination Endorsement No. 1" has the meaning set forth in the Recitals.

"Quarterly Report" has the meaning set forth in Section 4.2(a).

"Recoverables" has the meaning set forth in Section 9.2.

"Reinsured Policies" means each "Underlying Reinsurance Agreement" as such term is defined in the Existing Quota Share Agreement.

"Representative" means, with respect to any Person, an employee, attorney or consultant of such Person or an Affiliate of such Person.

"Retention" means $2,178,535,000.

"Retrocession Premium" means $445,000,000.

"Retrocession Premium Interest Amount" means the amount resulting from applying the credited interest rate, compounded monthly, of 2.64% per annum from January 1, 2019 through the Closing Date to the Retrocession Premium.

"Retrocessionaire" has the meaning set forth in the Preamble.

"Subject Business" means the Underlying Business, but only with respect to liabilities in excess of the Retention and up to the Aggregate Limit.

"Tax" means any and all federal, state, foreign or local income, gross receipts, premium, capital stock, franchise, guaranty fund assessment, retaliatory, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, fee, duty, levy, custom, tariff, impost, assessment, obligation or charge of the same or of a similar nature to any of the foregoing, including any interest, penalty or addition thereto.

"Tax Return" means any report, estimate, extension request, information statement, claim for refund, or return relating to, or required to be filed in connection with, any Tax, including any schedule or attachment thereto, and any amendment thereof.

"Technology" has the meaning set forth in the Recitals.

"Third Party Reinsurance Agreements" means ceded reinsurance related to the Underlying Business other than the Existing Quota Share Agreement and this Agreement.

"Third Party Reinsurance Recoverables" means recoveries under Third Party Reinsurance Agreements with respect to the Underlying Business, whether actually collected or not, by or on behalf of Maiden Re.

"Transaction Agreements" means this Agreement, the Master Agreement, the Existing Quota Share Agreement, the Master Collateral Agreement and any Letters of Credit (as defined in the Master Collateral Agreement).

"Transfer Taxes" means any and all sales, use, value added, stamp, documentary, filing, recording, transfer, real estate, stock transfer, intangible property transfer, personal property transfer, gross receipts, registration, securities transactions, conveyance and notarial Taxes, and similar fees, Taxes and governmental charges (together with any interest, penalty, addition to Tax, and additional amount imposed in respect thereof) arising out of or in connection with the transactions contemplated by the Master Agreement.

"Ultimate Net Loss" means (i) Covered Losses actually paid by or on behalf of Maiden Re, plus (ii) Commuted Covered Losses paid or settled by AII or its Affiliates, plus (iii) Other Commuted Covered Losses, less (iv) Recoverables actually collected with respect to Covered Losses by or on behalf of Maiden Re, less (v) Third Party Reinsurance Recoverables with respect to Covered Losses.

"Underlying Business" means "Covered Business" as such term is defined in the Existing Quota Share Agreement.

ARTICLE II

REINSURANCE CEDED

2.1 Reinsurance Coverage. Subject to the terms and conditions of this Agreement, effective as of the Effective Time, the Retrocessionaire shall pay, on the terms and subject to the conditions and limitations set forth in this Agreement, Maiden Re for Ultimate Net Loss in excess of the Retention up to the Aggregate Limit. For the avoidance of doubt, (i) certain of the reserves ceded to Maiden Re under the Existing Quota Share Agreement are retroceded to the Retrocessionaire under this Agreement and (ii) in no event shall the Retrocessionaire be required to make aggregate payments under this Agreement in respect of Ultimate Net Loss in excess of the Aggregate Limit. Maiden Re and the Retrocessionaire acknowledge that, pursuant to Post-Termination Endorsement No. 1, AII shall be responsible, and Maiden Re shall not indemnify AII, for all Ultimate Net Loss (as defined in the Existing Quota Share Agreement) amounts within the loss corridor established pursuant to Section 1 of Post-Termination Endorsement No. 1 and that such losses shall not be payable or reinsured by the Retrocessionaire under this Agreement.

2.2 Follow the Fortunes. Except as expressly set forth in Section 2.5, the Retrocessionaire's liability under this Agreement for Covered Losses shall attach simultaneously with that of Maiden Re, and all reinsurance with respect to which the Retrocessionaire shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, assessments and good faith waivers and to the same modifications, commutations, alterations and cancellations as the respective Existing Quota Share Agreement to which liability under this Agreement attaches. The Retrocessionaire shall, in each and every case to which liability under this Agreement attaches, follow the fortunes and settlements of Maiden Re, and the Retrocessionaire shall be bound, without limitation, by all payments and settlements entered into by or on behalf of Maiden Re, subject to the terms, conditions and provisions set forth herein.

2.3 Contract Changes. Pursuant to the terms and conditions set forth in this Agreement, the Retrocessionaire shall reinsure any Covered Losses resulting from any changes in the terms or conditions of any Reinsured Policy or the Existing Quota Share Agreement that are required by Applicable Law or any Governmental Authority on or after the Effective Time, or which occur pursuant to Retrocessionaire's consent consistent with Section 10.4.

2.4 Territory. The reinsurance provided under this Agreement shall be coextensive with the territory of the Existing Quota Share Agreement.

2.5 Exclusions. Notwithstanding any provision of this Agreement to the contrary, Covered Losses and the reinsurance under this Agreement shall not include:

(a) Any sum paid prior to the Effective Time in settlement or payment of any obligation arising from any of the Reinsured Policies or the Existing Quota Share Agreement;

(b) Any sum paid after the Effective Time in satisfaction of a liability due but unpaid with respect to periods ending prior to the Effective Time, including liabilities for Claims, commissions, asset management fees, brokerage expenses and similar amounts;

(c) Unallocated loss adjustment expenses, including overhead and office expenses and salaries, benefits and other expenses not specifically allocated to a Claim made under a Reinsured Policy or the Existing Quota Share Agreement; and

(d) (i) Any Transfer Taxes paid or payable by Maiden Re in connection with the transactions contemplated by this Agreement or the Master Agreement or (ii) any other Taxes imposed on or payable by Maiden Re other than those Taxes that are a liability or obligation of Maiden Re pursuant to the express terms of the Existing Quota Share Agreement (collectively, (a)-(d), "Excluded Liabilities").

ARTICLE III

REINSURANCE CONSIDERATION

3.1 Retrocession Premium.

(a) Maiden Re has prepared and delivered to the Retrocessionaire a Closing Statement in accordance with the Master Agreement setting forth Maiden Re's good faith calculation of the Retrocession Premium and Retrocession Premium Interest Amount. The Retrocession Premium shall be paid to the Retrocessionaire within ten (10) Business Days of the date hereof on behalf of Maiden Re by Technology as provided in the Master Collateral Agreement. The Retrocession Premium Interest Amount shall be paid by Maiden Re by wire transfer of immediately available funds to an account designated in writing by Retrocessionaire on the same date that the Retrocession Premium is paid. The payment in full of Retrocession Premium and Retrocession Premium Interest Amount are conditions precedent to the inception of the obligations of the Retrocessionaire under this Agreement.

(b) As additional consideration for the reinsurance provided herein, when calculating the Ultimate Net Loss, Maiden Re shall apply for the benefit of the Retrocessionaire, one hundred percent (100%) of (i) any Recoverables actually received or collected with respect to Covered Losses by or on behalf of Maiden Re, AII or the Original Cedents on or after the Effective Time and (ii) Third Party Reinsurance Recoverables with respect to Covered Losses.

ARTICLE IV

ADMINISTRATION AND CLAIM OVERSIGHT

4.1 Administration.

(a) The Underlying Business will continue to be administered by the Original Cedents, AII and/or Maiden Re, as applicable. Subject to Section 4.1(b), Maiden Re shall administer or use its commercially reasonable efforts to cause to be administered the Underlying Business (i) in good faith, (ii) in compliance with Applicable Law, (iii) consistent with sound and historic practices consistently applied, and (iv) with no less skill, diligence and resources as have been applied by Maiden Re prior to the Effective Time. In the event Maiden Re determines to use or caused to be used any third party administrator or third party adjuster to administer all or any portion of the Underlying Business, Maiden Re hereby grants to Retrocessionaire or an Affiliate thereof a right of first refusal to administer such business. To the extent that the Retrocessionaire or one of its Affiliates is administering the Underlying Business as contemplated by the immediately preceding sentence or pursuant to Section 4.1(b), (i) Maiden Re shall not be responsible for the Underlying Business being administered pursuant to the standards contemplated by this Section 4.1(a) and (ii) the Retrocessionaire shall administer the Underlying Business consistent with the standards contemplated by this Section 4.1(a).

(b) During the duration of this Agreement, and provided that the Retrocessionaire is not in breach of its obligations under this Agreement or the Master Collateral Agreement (unless such breach has been fully cured): (i) Maiden Re shall consult and cooperate with the Retrocessionaire in good faith regarding all Claims related matters; and (ii) for any Claim involving an expected Ultimate Net Loss in excess of $250,000, to the extent the Retrocessionaire's position with respect to such Claim differs from Maiden Re's position, at the request of the Retrocessionaire, Maiden Re shall promptly forward the Retrocessionaire's written explanation of such differing position to AII. Notwithstanding the immediately preceding sentence, the Retrocessionaire acknowledges and agrees that the Retrocessionaire's rights as contemplated by this Section 4.1(b) are in no case broader than the respective rights of Maiden Re under the express terms and conditions of the Existing Quota Share Agreement. Maiden Re shall facilitate access by the Retrocessionaire, its Affiliates and their Representatives to all online reporting and monitoring systems used by Maiden Re with respect to the Underlying Business and, to the extent permitted by AII, shall grant the Retrocessionaire direct rights to use such systems.

(c) Maiden Re hereby irrevocably appoints the Retrocessionaire and each Affiliate thereof designated by the Retrocessionaire, and the Retrocessionaire on behalf of itself and such Affiliates, hereby accepts such appointment, to exercise all authority conferred upon and to perform all obligations of Maiden Re under the Existing Quota Share Agreement, in the name of and on behalf of Maiden Re following an Administrative Triggering Event. In order to assist the Retrocessionaire and its designees in the exercise of authority granted and the performance of all obligations imposed under this Section 4.1(c), following an Administrative Triggering Event, Maiden Re hereby irrevocably nominates and appoints the Retrocessionaire and its designees, in the name of and on behalf of Maiden Re, as its attorney in fact with respect to the rights, duties, privileges and obligations, provided in and contemplated under the Existing Quota Share Agreement, with full power and authority to act in the name, place and stead of Maiden Re with respect thereto, including the power, without reservation, to inspect and examine all Books and Records of the Original Cedents and AII, as applicable, and take such other and further action as may be necessary or desirable to effect the transactions contemplated by this Agreement, in each case to the extent required or permitted by Maiden Re under the Existing

Quota Share Agreement. Each Party shall use its commercially reasonable efforts to cooperate with the other Party as reasonably requested by such other Party in connection with the transfer from Maiden Re to the Retrocessionaire of the authority and obligations set forth in this Section 4.1(c) in accordance with the terms of this Agreement, and take such further actions and execute such further documents and agreements as may be necessary to carry out this Section 4.1(c). Following an Administrative Triggering Event, and provided that Maiden Re is not in breach of its obligations under this Agreement or the Master Collateral Agreement (unless such breach has been fully cured), the Retrocessionaire shall consult and cooperate with Maiden Re in good faith regarding the Retrocessionaire's exercise of its rights under this Section 4.1(c).

(d) In the event Maiden Re breaches its obligations under this Section 4.1 or unreasonably fails to follow the advice or direction of the Retrocessionaire or its designees with respect to the Underlying Business, all Damages resulting from such failure shall be excluded from Ultimate Net Loss, provided that no such Damages shall be deducted from the Ultimate Net Loss unless Retrocessionaire has first provided Maiden Re with written notice of its intent to apply such deduction and negotiated with Maiden Re in good faith for thirty (30) days after delivering such notice to try to resolve the matter. Also, nothing herein shall be construed to allow Retrocessionaire such an exclusion from Ultimate Net Loss for any Damages attributable to (i) AII disagreeing with or not following Maiden Re's position with respect to any matters under Existing Quota Share Agreement, or (ii) any acts or omissions of a Person who is a director, officer, employee, agent, successor or permitted assign of the Retrocessionaire or any of its Affiliates, Representatives or agents.

4.2 Reports and Settlements.

(a) From and after the date hereof, Maiden Re shall deliver to the Retrocessionaire, within thirty (30) calendar days after the end of each calendar quarter, a report (each a "Quarterly Report") with respect to the Subject Business, containing the information reasonably required by the Retrocessionaire. The first such Quarterly Report shall be with respect to the period between the Effective Time through the end of the first such calendar quarter after the Execution Date. Maiden Re shall provide to the Retrocessionaire such other periodic accounting and other reports with respect to the Subject Business as the Retrocessionaire may reasonably require. Maiden Re's obligations to provide information and reports to Retrocessionaire are contingent on Maiden Re receiving all necessary information and reports from AII and Original Cedents, as applicable.

(b) From and after the date hereof, Maiden Re shall provide to the Retrocessionaire copies of all accounting reports received by Maiden Re from AII pursuant to the Existing Quota Share Agreement, within two (2) Business Days of receipt of such reports. All undisputed amounts as shown thereon as due from Maiden Re (but only with respect to Covered Losses reinsured hereunder) shall be settled by the direct payment by the Retrocessionaire to AII of such amounts (but only with respect to Covered Losses reinsured hereunder) within the due date specified in the Existing Quota Share Agreement (including in the event of insolvency of Maiden Re); provided however that nothing in this provision shall limit in anyway Maiden Re's ability to dispute amounts shown thereon as due from Maiden Re to AII both prior to and after such payment. Notwithstanding anything to the contrary set forth herein, any payments by the Retrocessionaire to AII of amounts due to Maiden Re under this Agreement shall, to the extent such payments are received by AII, satisfy Retrocessionaire's obligations to pay Maiden Re such amounts.

(c) Notwithstanding anything to the contrary in Section 4.1(b), the Parties agree that Commuted Covered Losses shall count towards the Retention as and when such losses are paid or settled by AII or its Affiliates, and to the extent any Commuted Covered Losses are paid or settled by AII or its Affiliates after the Retention has been reached, the Retrocessionaire shall pay the amount of any such Commuted Covered Losses directly to Maiden Re and not AII. For the avoidance of doubt, Commuted Covered Losses shall not exceed $312,785,677, and all Commuted Covered Losses paid by the Retrocessionaire shall count towards the Aggregate Limit.

ARTICLE V

BOOKS AND RECORDS

5.1 Access to Books and Records.

(a) From time to time Maiden Re shall: (i) allow the Retrocessionaire and its designees, upon reasonable notice and during normal business hours and subject to the rules applicable to visitors at Maiden Re's offices, generally, the right to examine and make copies, at the Retrocessionaire's expense, of any Books and Records of Maiden Re and (ii) allow the Retrocessionaire and its designees to interview Representatives of Maiden Re, in each case, for any reasonable purpose relating to this Agreement, including the Reinsured Policies and Covered Losses, and in connection with the Retrocessionaire's preparation of regulatory and statutory filings (excluding, for the avoidance of doubt, Tax Returns) and financial statements. Access to Maiden Re's Representatives and Books and Records and other information shall not unreasonably interfere with the business operations of Maiden Re or its Affiliates.

(b) Notwithstanding any other provision of this Agreement to the contrary, Maiden Re shall not be obligated to provide such access to any Books and Records or other information if Maiden Re determines, in its reasonable judgment, that doing so would violate Applicable Law or a contract, agreement or obligation of confidentiality owing to a third-party, jeopardize the protection of an attorney-client privilege, or expose Maiden Re to liability for disclosure of sensitive or personal information.

ARTICLE VI

DURATION AND TERMINATION

6.1 Duration and Termination. This Agreement shall commence as of the Effective Time and continue in force until the earlier of the date on which (a) Retrocessionaire has paid aggregate Ultimate Net Losses equal to the Aggregate Limit; (b) Maiden Re's liability under all of the Reinsured Policies for Covered Losses is terminated or extinguished and all amounts due to Maiden Re under this Agreement with respect to such Reinsured Policies are paid, or (c) this Agreement is terminated by the mutual written consent of the Parties. In the event this Agreement is terminated in accordance with Section 6.1(a) or Section 6.1(b), Maiden shall, in accordance with the Master Collateral Agreement, use its best efforts to cause any Letter of Credit posted by the Retrocessionaire pursuant to the Master Collateral Agreement to be promptly terminated and be returned to the Retrocessionaire for cancellation and all other collateral posted by the Retrocessionaire pursuant to the Master Collateral Agreement to be promptly returned to or payable to the Retrocessionaire in accordance with the Master Collateral Agreement. Also, 100% of any Recoverables and Third Party Reinsurance Recoverables allocable to the Subject Business that should have been reflected in the calculation of Ultimate Net Loss paid by the Retrocessionaire but were not so reflected as of the termination date of this Agreement shall be payable to the Retrocessionaire when collected. All provisions hereof relating to collection or application of such Recoverables and Third Party Reinsurance Recoverables shall survive termination.

6.2 Effect of Termination. Notwithstanding the other provisions of this ARTICLE VI, the terms and conditions of ARTICLE I, ARTICLE VI and ARTICLE XII shall remain in full force and effect after the termination of this Agreement.

ARTICLE VII

INSOLVENCY

7.1 Insolvency of Maiden Re.

(a) The Retrocessionaire hereby agrees that in the event of the insolvency, liquidation or rehabilitation of Maiden Re or the appointment of a conservator, liquidator, receiver or statutory successor of Maiden Re, all amounts due to Maiden Re under this Agreement shall be payable by the Retrocessionaire to Maiden Re or any conservator, liquidator, receiver or statutory successor of Maiden Re on the basis of the claims allowed against Maiden Re by any court of competent jurisdiction or by any conservator, liquidator, receiver or statutory successor of Maiden Re having authority to allow such claims, without diminution because of that insolvency, liquidation, rehabilitation or appointment, or because the conservator, liquidator, receiver or statutory successor has failed to pay all or a portion of any claims. Payments by the Retrocessionaire as set forth in this Section 7.1 shall be made directly to Maiden Re or to its conservator, liquidator, receiver, or statutory successor, except where this Agreement specifically provides another payee of such reinsurance in the event of the insolvency of Maiden Re. Under no circumstances shall the Retrocessionaire's liability hereunder be accelerated or enlarged by the insolvency of Maiden Re.

(b) It is agreed and understood, however, that in the event of the insolvency of Maiden Re, the conservator, liquidator, receiver or statutory successor of Maiden Re shall give written notice to the Retrocessionaire of the pendency of a claim against Maiden Re for a

Covered Loss within a reasonable period of time after such claim is filed in the insolvency, liquidation or rehabilitation proceedings and that during the pendency of such claim the Retrocessionaire may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to Maiden Re or its conservator, liquidator, receiver or statutory successor. It is further understood that the expense thus incurred by the Retrocessionaire shall be chargeable, subject to court approval, against Maiden Re as part of the expense of any conservation, liquidation, receivership or similar proceeding to the extent of a proportionate share of the benefit that may accrue to Maiden Re solely as a result of the defense undertaken by the Retrocessionaire.

ARTICLE VIII

SECURITY

8.1 Security. The Retrocessionaire's obligations under this Agreement to Maiden Re shall be secured by the collateral posted under the Master Collateral Agreement. The Retrocessionaire and Maiden Re intend that all such security is intended to satisfy certain of Maiden Re's corresponding obligations to provide security to AII or Technology.

ARTICLE IX

SALVAGE AND SUBROGATION

9.1 Salvage and Subrogation. The Retrocessionaire shall be subrogated to all rights of Maiden Re against any Person or other entity who may be legally responsible in damages constituting Covered Losses for which the Retrocessionaire shall actually pay, or become liable to pay, on or after the Effective Time (but only to the extent of the amount of payment by the Retrocessionaire).

9.2 Expenses. In determining the amount of salvage or subrogation, there shall first be deducted from any amount recovered the out-of-pocket expenses incurred by Maiden Re in effecting the recovery (including all court, arbitration, mediation or other dispute resolution costs, attorneys' fees and expenses but excluding overhead, salaries and expenses of officers and employees of Maiden Re and similar internal costs), except to the extent otherwise paid or reimbursed by the Retrocessionaire hereunder. All amounts recovered in connection with salvage and subrogation net of expenses pursuant to this Section 9.2 shall be referred to as "Recoverables." For the avoidance of doubt, Recoverables shall not include Third Party Reinsurance Recoverables.

ERRORS AND OMISSIONS; REGULATORY MATTERS; COVENANTS

10.1 Errors and Omissions. Inadvertent delays, errors or omissions made in connection with this Agreement or any transaction hereunder shall not relieve any Party from any liability which would have attached had such delay, error or omission not occurred, provided that such error or omission is rectified as soon as possible after discovery by an officer of such Party, and provided, further, that the Party making such error or omission or responsible for such delay shall be responsible for any additional liability which attaches as a result. If (a) the failure of any Party to comply with any provision of this Agreement is unintentional or the result of a misunderstanding or oversight and (b) such failure to comply is promptly rectified after discovery, both Parties shall be restored as closely as possible to the positions they would have occupied if no error or oversight had occurred.

10.2 Cooperation. Maiden Re and the Retrocessionaire shall cooperate with each other in order to accomplish the objectives of this Agreement by furnishing any additional information and executing and delivering any additional documents and taking such other actions as may be reasonably requested by the other Party to further perfect or evidence the consummation of, or otherwise implement, any transaction contemplated by this Agreement or any Transaction Agreement, or to aid in the preparation of any regulatory filing or financial statement; provided, however, that any such additional documents must be reasonably satisfactory to each of the Parties and not impose upon either Party any material liability, risk, obligation, loss, cost or expense not contemplated by this Agreement or the Transaction Agreements to which it is a party.

10.3 Regulatory Matters.

(a) If Maiden Re and the Retrocessionaire receives notice of, or otherwise becomes aware of any written inquiry, investigation, examination, audit, proceeding or action by Governmental Authorities relating to the Existing Quota Share Agreement, the Reinsured Policies, the reinsurance provided hereunder or any Transaction Agreement, Maiden Re and the Retrocessionaire, as applicable, shall promptly notify the other Party thereof to the extent permitted under Applicable Law, whereupon the Parties shall cooperate in good faith to resolve such matter in a mutually satisfactory manner and shall act reasonably in light of the Parties' respective interests in the matter at issue.

(b) At all times during the term of this Agreement, each of Maiden Re and the Retrocessionaire, respectively agrees that it shall hold and maintain all licenses and authorizations required under Applicable Law to perform its respective obligations under this Agreement and the Transaction Agreements and shall comply in all material respects with all Applicable Law in connection with its performance of such obligations.

10.4 Existing Agreements. Maiden Re shall not commute, amend or waive the terms of the Existing Quota Share Agreement or consent to the commutation, amendment or waiver of any Third Party Reinsurance Agreement or Reinsured Policy, as applicable, without the prior written consent of the Retrocessionaire, except (i) as required by Applicable Law, (ii) as required by a Governmental Authority, or (iii) in the case of any amendments to the Existing Quota Share Agreement relating solely to the form of collateral provided by Maiden Re for risks that fall below the Retention or above the Aggregate Limit.

10.5 Reinsurance of Reinsured Policies. Other than existing inuring reinsurance under the Third Party Reinsurance Agreements, Maiden Re shall not reinsure all or any portion of its risk below the Retention without the Retrocessionaire's consent, and Maiden Re will provide the Retrocessionaire or any Affiliate thereof a right of first refusal with respect to any reinsurance Maiden Re seeks to acquire for all or any portion of its risk above the Aggregate Limit.

ARTICLE XI

INDEMNIFICATION

11.1 The Retrocessionaire's Obligation to Indemnify. The Retrocessionaire shall indemnify, defend and hold Maiden Re and its Affiliates and each of their respective directors, officers, employees, agents, successors and permitted assigns harmless from and against any and all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses) and damages ("Damages") actually incurred by Maiden Re to the extent arising from (a) any breach of the covenants or obligations of the Retrocessionaire contained in this Agreement or the Master Collateral Agreement and (b) any successful enforcement of this indemnity. Nothing herein shall be construed to require the Retrocessionaire to indemnify Maiden Re to the extent any Damages are attributable to any acts or omissions of a Person who is a director, officer, employee, agent, successor or permitted assign of Maiden Re or any of its Affiliates, Representatives or agents, unless such Person is acting at the express written direction or written request of the Retrocessionaire (or any of its Affiliates, Representatives or agents). Damages shall not include punitive, exemplary and consequential damages.

11.2 Maiden Re's Obligation to Indemnify. Maiden Re shall indemnify, defend and hold the Retrocessionaire and its Affiliates and each of their respective directors, officers, employees, agents, successors and permitted assigns harmless from and against any and all Damages actually incurred by the Retrocessionaire to the extent arising from (a) any breach of the covenants or obligations of Maiden Re contained in this Agreement or the Master Collateral Agreement, (b) the Excluded Liabilities, and (c) any successful enforcement of this indemnity. Nothing herein shall be construed to require Maiden Re to indemnify the Retrocessionaire to the extent any Damages are attributable to any acts or omissions of a Person who is a director, officer, employee, agent, successor or permitted assign of the Retrocessionaire or any of its Affiliates, Representatives or agents, unless such Person is acting at the express written direction or written request of Maiden Re (or any of its Affiliates, Representatives or agents). Damages shall not include punitive, exemplary and consequential damages.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Notices. Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any Party hereunder shall be in writing and shall be delivered personally, sent by registered or certified mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following address:

If to Maiden Re:

Maiden Reinsurance Ltd.
Ideation House
94 Pitts Bay Road
Pembroke HM08
Bermuda
Attention: Denis Butkovic
Email: DButkovic@maidenre.com

with copies (which shall not constitute notice) to:

Locke Lord LLP
20 Church Street, 20th Floor
Hartford, CT 06103
Attention: Alan J. Levin
Email: alan.levin@lockelord.com

If to the Retrocessionaire:

Cavello Bay Reinsurance Limited
Windsor Place, 3rd Floor
22 Queen Street
Hamilton, HM11
Bermuda
Attention: Paul J. O'Shea
Email: Paul.OShea@enstargroup.com

with copies (which shall not constitute notice) to:

Hogan Lovells US LLP
1735 Market Street, Suite 2300
Philadelphia, PA 19103
Attention: Robert C. Juelke
Email: Bob.Juelke@hoganlovells.com

Each Party may change its notice provisions on fifteen (15) calendar days' advance notice in writing to the other Party.

12.2 Entire Agreement. This Agreement (including the exhibits and schedules hereto), the other Transaction Agreements and any other documents delivered pursuant thereto, constitute the entire agreement among the Parties and their respective Affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof and thereof. In the event of any conflict between this Agreement and the Master Agreement with respect to the subject matter hereof, the provisions of this Agreement shall control.

12.3 Waiver and Amendment. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by an instrument in writing signed by the Parties hereto, or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of any Party to insist on compliance with any obligation contained in this Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right or remedy contained herein nor stop any Party from thereafter demanding full and complete compliance nor prevent any Party from exercising such right or remedy in the future. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

12.4 Successors and Assigns. The rights and obligations of the Parties under this Agreement shall not be subject to assignment without the prior written consent of the other Party, and any attempted assignment without the prior written consent of the other Party shall be invalid *ab initio* and void. The terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the Parties. Notwithstanding the foregoing, the Retrocessionaire shall have the right to reinsure or otherwise share the losses reinsured hereunder, provided that in no way shall such reinsurance or other sharing of losses lessen or in any way diminish the Retrocessionaire's obligations to Maiden Re hereunder.

12.5 Headings. The headings and table of contents of this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

12.6 Governing Law; Specific Performance.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to such state's principles of conflict of laws that could compel the application of the laws of another jurisdiction.

(b) Notwithstanding any other provision to the contrary herein, each Party acknowledges that the breach of certain obligations may cause irreparable injury and damages, which may be difficult to ascertain. Without regard to paragraph (a) above, each Party immediately shall be entitled to seek injunctive relief with respect to such breaches by the other Party and without the requirement of posting a bond. This provision shall not in any way limit such other remedies as may be available to any Party at law or in equity.

12.7 Service of Suit.

(a) In the event of the failure of Maiden Re to perform its obligations hereunder, Maiden Re, at the request of the Retrocessionaire, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of Maiden Re's rights to commence an action in any court of competent jurisdiction in the State of New York, to remove an action to a United States District Court for the Southern District of New York. Maiden Re, once the appropriate court is selected, whether such court is the one originally chosen by the Retrocessionaire and accepted by Maiden Re or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against Maiden Re upon this Agreement, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

(b) Unless Maiden Re designates a different party in writing, service of process in such suit may be made upon C T Corporation System, 28 Liberty Street, New York, New York 10005, which is hereby authorized and directed to accept service of process on behalf of Maiden Re in any such suit.

(c) In the event of the failure of the Retrocessionaire to perform its obligations hereunder, the Retrocessionaire, at the request of Maiden Re, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Retrocessionaire's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. The Retrocessionaire, once the appropriate court is selected, whether such court is the one originally chosen by Maiden Re and accepted by the Retrocessionaire or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Retrocessionaire upon this Agreement, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

(d) Unless the Retrocessionaire designates a different party in writing, service of process in such suit may be made upon CT Corporation System, 28 Liberty Street, 42nd Floor, New York, NY 10005, which is hereby authorized and directed to accept service of process on behalf of the Retrocessionaire in any such suit.

12.8 No Third Party Beneficiaries. Except for the Persons indemnified pursuant to Article XI of this Agreement that are not Parties, nothing in this Agreement is intended or shall be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

12.9 Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the Parties notwithstanding the fact that all Parties are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

12.10 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Agreement, the Parties shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the Parties as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

12.11 Offset. Each Party may offset any amount due to the other Party or any of such other Party's Affiliates under this Agreement or the Master Collateral Agreement against any amounts owed or alleged to be owed from such other Party or its Affiliates under this Agreement or the Master Collateral Agreement; provided that no Party may offset any amount due to the other Party hereto or any of such other Party's Affiliates under this Agreement or the Master Collateral Agreement against any amounts owed or alleged to be owed from such other Party or its Affiliates under any other agreement without the written consent of such other Party.

12.12 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties. For the purposes of the conversion of payments of Covered Losses, Recoverables and Third Party Reinsurance Recoverables, into United States dollars, the Parties shall use the applicable exchange rate in effect on the date of payment or other date of measurement.

12.13 Interpretation. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, exhibits and schedules are references to the Articles, Sections, paragraphs, exhibits and schedules to this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the exhibits and schedules hereto; (d) references to "$" shall mean United States dollars; (e) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) except as otherwise provided herein, references to "written" or "in writing" include in electronic form; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) a reference to any Person includes such Person's successors and permitted assigns; (j) a reference to an agreement or other document includes amendments or restatements of such agreement or other document; (k) any reference to "days" means calendar days unless Business Days are expressly specified; and (l) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day. This Agreement shall take precedence over any exhibits or schedules hereto, to the extent of any conflict.

12.14 Conditional Effectiveness. This Agreement is subject to the approval of the Bermuda Monetary Authority. If the Bermuda Monetary fails to approve this Agreement within ten (10) Business Days of the date hereof, this Agreement shall be void and of no further force or effect.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, all as of the date first written above.

MAIDEN REINSURANCE LTD.

By:______________________________
Name: PATRICK J. HAVEKIN
Title: PRESIDENT

CAVELLO BAY REINSURANCE LIMITED

By:______________________________
Name:
Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, all as of the date first written above.

MAIDEN REINSURANCE LTD.

By:______________________________
Name:
Title:

CAVELLO BAY REINSURANCE LIMITED

By:______________________________
Name:
Title:

EXECUTION COPY

COMMUTATION AGREEMENT AND RELEASE

This Commutation and Release Agreement ("Commutation Agreement") entered into and effective as of July 31, 2019 (the "Effective Date"), is entered into by AmTrust International Insurance, Ltd (the "Company") and Maiden Reinsurance Ltd., (the "Reinsurer," and, together with the Company, each a "Party" and, collectively, the "Parties").

RECITALS

1. The Company and Reinsurer are parties to the Amended and Restated Quota Share Reinsurance Agreement, as amended (the "AR Quota Share"), which was in effect for the period from July 1, 2007 through January 1, 2019, by which the Company ceded and the Reinsurer assumed forty percent (40%) of Affiliate Subject Premium, as defined in the AR Quota Share, and forty percent (40%) of Ultimate Net Loss, as defined in the AR Quota Share, with respect to business classified by the Company as workers' compensation business, among other Covered Business, as defined in the AR Quota Share.

2. The Parties wish to enter into this Commutation Agreement to provide: (a) for the re-assumption by the Company from the Reinsurer of all reserves, including IBNR, ceded by the Company to the Reinsurer with respect to the Reinsurer's forty percent (40%) of Ultimate Net Loss related to: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies issued by the Company's Affiliates, as defined in the AR Quota Share (the "Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies issued by the Company's Affiliates (the "Commuted New York Business" and, together with the Commuted California Business, the "Commuted Business"), in exchange for the release and full discharge of Reinsurer of all of its obligations to the Company with respect to the Commuted Business. For the avoidance of doubt, the Commuted Business does not include any business (i) classified by the Company as Specialty Program or Specialty Middle-Market business or (ii) issued by a Republic Group company. A "Republic Group company" means any Company Affiliate which also is a direct or indirect subsidiary of Republic Companies, Inc.

NOW, THEREFORE, the Parties agree as follows:

A. **Commutation and Release**

1. The Company and the Reinsurer agree that their liability to each other solely with respect to the Commuted Business shall be discharged by the Reinsurer's delivery to the Company of cash and invested assets in the amount of $312,785,677 (the "Commutation Payment"), which is the sum of the net ceded reserves in the amount of $330,681,515 with respect to the Commuted Business as of 12.31.18 less payments

in the amount of $17,895,838 made by the Reinsurer with respect to the Commuted Business from 1.1.19 through the Effective Date. The Commutation Payment plus interest on that amount at the rate of 3.3% per annum from January 1, 2019 through the Effective Date, inclusive of both dates, shall be made by the Reinsurer within five business days of the Effective Date. The Company and the Reinsurer acknowledge that they are parties to a Reinsurer Trust Assets Collateral Agreement dated as of December 1, 2008, as amended (the "Collateral Agreement"), pursuant to which the Reinsurer posts collateral for the benefit of the Company and/or its Affiliates in order to satisfy Reinsurer's obligation to provide security pursuant to Article XXIII of AR Quota Share. The Company and the Reinsurer agree that it is their intent that the Commutation Payment will be funded on behalf of the Reinsurer by the Company and the Reinsurer jointly directing the trustee holding the collateral under the Collateral Agreement to release to the Company assets jointly selected by the Company and the Reinsurer with an aggregate fair market value equal to the Collateral Payment.

2. Upon receipt of the Commutation Payment by the Company, the Company and the Reinsurer mutually release and forever discharge each other and their predecessors, successors, parents, assigns, officers, directors, agents, employees, representatives, liquidators, rehabilitators, receivers, shareholders, heirs, executors, administrators and attorneys from any and all past, present and future obligations, adjustments, liability for payment of interest, offsets, actions, causes of action, suits, debts, sum of money, accounts, premium payments, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, liens, rights, costs and expenses (including attorneys' fees and costs actually incurred), claims and demands, liabilities and losses of any nature, kind, character and description whatsoever, whether grounded in law or in equity, in admiralty, in contract, in tort or otherwise (including any claims based on fraud, bad faith or extra-contractual liabilities), all whether known or unknown, reported or unreported, discovered or undiscovered, suspected or unsuspected, vested or contingent that the Company or the Reinsurer, as the case may be, now has, owns or holds or claims to have, own or hold or at any time had, owned or held, or claimed to have had, owned or held, arising of conduct or matters occurring prior to, at or subsequent to the execution of this Commutation Agreement against the Company or the Reinsurer, as the case may be, to the extent arising from, based upon or in any way related to the Commuted Business, it being the intention of the Parties that this release operate as a full and final settlement of each of the Company's and the Reinsurer's past, current and future liabilities to the other to the extent arising out of or in connection with the Commuted Business and obligations arising under or related to the Commuted Business.

B. Amendment of AR Quota Share.

The Company and the Reinsurer agree that as of the Effective Date, the AR Quota Share shall be deemed amended as applicable so that the Commuted Business is no longer included as part of the Covered Business thereunder. This Commutation Amendment is limited by its terms and does not and shall not serve to amend or waive any other provision of the AR Quota Share Agreement.

C. Independent Investigation; Special Waiver

1. The Parties acknowledge that they have each entered into this Commutation Agreement in reliance on their own independent investigation and analysis of the facts underlying their participation in the AR Quota Share, and that no representations, warranties or promises of any kind have been made, directly or indirectly, to induce them to execute this Commutation Agreement other than those which are expressly set forth herein. Nevertheless, the Parties acknowledge that they may later discover facts different from or in addition to those now known or believed to be known regarding their participation in AR Quota Share and agree that this Commutation Agreement shall remain in force notwithstanding the existence of or belief regarding any different or additional facts.

2. The Parties explicitly agree that all rights under Section 1542 of the California Civil Code or any similar provisions of law are hereby expressly waived. Section 1542 of the California Civil Code provides as follows:

   A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

D. Representations and Warranties

1. Each Party hereto represents and warrants to the other Party that:

   (a) it is a company in good standing in its jurisdiction of domicile;

   (b) it is fully authorized to execute and deliver this Commutation Agreement;

   (c) this Commutation Agreement is enforceable against each of the Parties in accordance with its terms subject to applicable bankruptcy, reorganization, insolvency, or other similar laws affecting creditors' rights generally from time to time in effect, and to general principles of equity;

   (d) the person or persons executing this Commutation Agreement on its behalf has the power, legal capacity and is fully authorized to do so;

(e) there are no pending conditions, agreements, transactions or negotiations to which it is a party or are likely to be made a party that would render this Commutation Agreement or any part thereof, void, voidable or unenforceable no authorization, consent, or approval of any person or entity, governmental or otherwise, is required to make this Commutation Agreement valid and enforceable; and

(f) no claim or loss being paid or settled by this Commutation Agreement has been previously assigned, sold and/or transferred to any other entity.

E. Further Assurances

The Parties agree to execute promptly any and all supplemental agreements, releases, affidavits, waivers and all other documents of any nature or kind which the other Party may reasonable require in order to implement the provisions or objectives of this Commutation Agreement.

F. Miscellaneous

1. All notices, requests and other communications to any Party hereunder shall be in writing (including email transmission) and shall be given:

(a) if to the Company:

AmTrust International Insurance, Ltd.
7 Reid Street, Suite 400
HM 11
Hamilton, Bermuda

Attention: Chris Souter
Telephone: (441) 444-4806
E-mail: chris.souter@amtrustgroup.com

with a copy to:

AmTrust Financial Services, Inc.
59 Maiden Lane, 43rd Floor
New York, New York 10038
Attention: Stephen Ungar
Telephone: (646) 458-7913
Email: steve.ungar@amtrustgroup.com

(b) if to the Reinsurer:

Maiden Reinsurance Ltd.
Ideation House

94 Pitts Bay Road
Pembroke HM 08
Bermuda

Attention:	Patrick J. Haveron Lawrence F. Metz
Telephone:	(441) 298-4902
E-mail:	PHaveron@maiden.bm LMetz@maidenre.com

or such other address as such Party may hereafter specify for the purpose by notice to the other Parties hereto. All such notices, requests and other communications shall be deemed received immediately if received via email or, otherwise, on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a business day in the place of receipt. Otherwise, any such notice, request or communication other than email shall be deemed to have been received on the next succeeding business day in the place of receipt.

2. This Commutation Agreement contains the entire agreement of the Parties with respect to the subject matter of this Commutation Agreement, and supersedes all other prior agreements, understandings, statements, representations and warranties, oral or written, express or implied, between the Parties and their respective affiliates, representatives and agents in respect of the subject matter hereof and thereof

3. This Commutation Agreement and any dispute arising hereunder shall be governed in all respects by the laws of New York, without giving effect to New York principles or rules of conflict of laws to the extent such principles or rules would require or permit the application of the Jaws of another jurisdiction. Each party also hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of New York for any actions, suits or proceedings arising out of or relating to this Commutation Agreement and the transactions contemplated hereby, and each party agrees not to commence any action, suit or proceeding relating thereto except in such courts. Each party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Commutation Agreement or the transactions contemplated hereby in the courts of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. This Commutation Agreement may be executed in multiple counterparts, each of which, when so executed and delivered, shall be an original,

but such counterparts shall together constitute one and the same instrument and Commutation Agreement.

4. This Commutation Agreement shall be binding upon and shall inure solely to the benefit of the Parties hereto and their respective successors, assigns, receivers, liquidators, rehabilitators, conservators and supervisors, it not being the intent of the Parties to create any third party beneficiaries, except as specifically provided in Article I, provided that this Commutation Agreement and the obligations of the Parties shall not be assigned by any Party hereto without the prior written consent of the other Parties.

5. This Commutation Agreement may not be changed, altered or modified unless the same shall be in writing executed by the each of the Parties.

6. No consent or waiver, express or implied, by any Party to or of any breach or default by any of the other Parties in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such other Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first Party of any of its rights hereunder. The rights and remedies provided are cumulative and are not exclusive of any rights or remedies that any Party may otherwise have at law or equity.

7. In consideration of the mutual covenants and agreements contained herein, each Party hereto does hereby agree that this Commutation Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each Party does hereby agree that it shall not, directly or indirectly, contest the validity or enforceability hereof.

8. All expenses incurred in connection with this Commutation Agreement, including fees and disbursements of legal, actuarial, accounting and other advisors shall be paid by the Party incurring such expenses.

9. If any provision of this Commutation Agreement is held to be void or unenforceable, in whole or in part, (a) such holding shall not affect the validity and enforceability of the remainder of this Commutation Agreement, including any other provision, paragraph or subparagraph, and (b) the Parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

10. This Commutation Agreement may be executed by the Parties hereto in any number of counterparts, and by each of the Parties hereto in separate counterparts, each of

which counterparts, when so executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Commutation Agreement to be executed by their duly authorized representatives.

AMTRUST INTERNATIONAL INSURANCE, LTD

By:____________________________
Stephen Ungar
Secretary

MAIDEN REINSURANCE LTD.

By:____________________________
Patrick J. Haveron
President

EXECUTION COPY

IN WITNESS WHEREOF, the Parties hereto have caused this Commutation Agreement to be executed by their duly authorized representatives.

AMTRUST INTERNATIONAL INSURANCE, LTD

By:________________________________
Stephen Ungar
Secretary

MAIDEN REINSURANCE LTD.

By:________________________________
Patrick J. Haveron
President

Schedule A

ACCOUNT NUMBER	**BANK NAME**	**ACCOUNT NAME**
P 01652	JP MORGAN	AMTRUST INTERNATIONAL & TECHNOLOGY INSURANCE COMPANY – SEGREGATED
258612000	US BANK	AMTRUST INTERNATIONAL INSURANCE, LTD. fbo AMTRUST INTERNATIONAL UNDERWRITERS DAC
261939000	US BANK	AMTRUST INTERNATIONAL INSURANCE, LTD. fbo AMTRUST EUROPE LIMITED

Updated Schedule A as of the version date, herby approved: -

REINSURER

Maiden Reinsurance Ltd.

By:

Name: Michael Tait

Title: CFO

COMPANY

AmTrust International Insurance, Ltd.

By: CSouter

Name: Chris Souter

Title: CFO

POST- TERMINATION ENDORSEMENT NO. 1

to the

AMENDED AND RESTATED
QUOTA SHARE REINSURANCE AGREEMENT
(hereinafter referred to as the "Agreement")

between

AMTRUST INTERNATIONAL INSURANCE, LTD.
Hamilton, Bermuda
(hereinafter referred to as the "Company")

and

MAIDEN REINSURANCE LTD.
Hamilton, Bermuda
(hereinafter referred to as the "Reinsurer")

WHEREAS, Maiden Holdings, Ltd., a Bermuda company, the Reinsurer and Enstar Group Limited, a Bermuda company ("Enstar"), entered into a Master Agreement on March 1, 2019 (the "Master Agreement") pursuant to which Reinsurer and Enstar's indirect subsidiary, Cavello Bay Reinsurance Limited, a Bermuda insurance company (the "Retrocessionaire"), will enter into an Adverse Development Cover Agreement (the "ADC Agreement") by which Reinsurer will retrocede and the Retrocessionaire will assume one hundred percent (100%) of certain liabilities of Reinsurer under this Agreement, as amended, for "Covered Losses" in excess of the "Retention" and up to the "Aggregate Limit," as such terms are defined in the ADC Agreement;

WHEREAS, in connection with Reinsurer's agreement to enter into the ADC Agreement, the Reinsurer has requested that the Company and Technology Insurance Company, Inc. ("Technology"), an Affiliate of the Company, which is reinsured by the Company with respect to Covered Losses as defined in the ADC Agreement, to release certain funds deposited as security by Reinsurer pursuant to this Agreement for the benefit of the Company and Technology in exchange for the Retrocessionaire posting alternative collateral, subject to the terms of the Master Collateral Agreement effective July __, 2019 among the Reinsurer, Company, Retrocessionaire, Technology and AmTrust Financial Services, Inc. ("AFSI") to be entered simultaneously with the execution of the ADC and this Post-Termination Endorsement No. 1 (the "Master Collateral Agreement");

WHEREAS, each of the Company and Technology are willing to enter into the Master Collateral Agreement, subject to the amendments to the Agreement set forth in this Post-Termination Endorsement No. 1.

NOW, THEREFORE, The parties agree to amend the Agreement effective as of 12:01 a.m., Eastern Standard Time, July 31, 2019 as follows:

1. Paragraph A.2 of Endorsement No. 2, effective July 1, 2007, which amended Paragraph A of ARTICLE V – LIABILITY OF THE REINSURER and which established a loss corridor with respect to certain specified Covered Business is hereby deleted in its entirety and replaced with the following:

   Loss Corridor. The Company shall be responsible, and the Reinsurer shall not indemnify the Company, for all Ultimate Net Loss amounts otherwise recoverable from Reinsurer under this Agreement with respect to the specialty middle-market (as defined in Section A.3 of Schedule A) (also referred to as specialty program business) portion of the Covered Business from the Effective Time, excluding workers' compensation business included therein for the period from the Effective Time through December 31, 2012, above a Loss Ratio to the Reinsurer of 81.5% up to a Loss Ratio to the Reinsurer of 95%, up to a maximum amount of $40,500,000. For the purposes of this Agreement, "Loss Ratio" means the total of Ultimate Net Loss incurred by the Reinsurer from the Effective Time through the date of calculation, for which the Reinsurer would be responsible under this Agreement in the absence of this provision, divided by the Reinsurer's earned premium during that same period.

2. ARTICLE XXIII – UNAUTHORIZED REINSURANCE, as amended by the Termination Endorsement, effective January 1, 2019, is hereby deleted in its entirety and restated as follows:

   ARTICLE XXIII – SECURITY FOR REINSURER'S OBLIGATIONS

   A. The Reinsurer will timely fund or provide security for Reinsurer's Obligations (as defined below) by:

      (1) transferring to the Company assets (the "Reinsurer Trust Assets") for deposit into one or more trust accounts established or to be established by Company for the sole benefit of an Affiliate (each an "Affiliate Trust Account") or the sole benefit of the Company (each a "Company Trust Account") with a trustee (the "Trustee"), which Trustee shall be at the time an Affiliate Trust Account or Company Trust Account is established, acceptable, and shall continue to be acceptable, to the Company and the subject Affiliate, and shall not be a parent, subsidiary or affiliate of the Reinsurer, Company or such Affiliate, pursuant to a trust agreement meeting the applicable requirements of the jurisdictions having regulatory authority over each applicable Affiliate (each an "Affiliate

Trust Agreement") or the Company (each an "Company Trust Agreement"; and/or

(2) pursuant to the Master Collateral Agreement, causing the Retrocessionaire to deliver on the Reinsurer's behalf, one or more clean, unconditional and irrevocable letters of credit to the Company and Technology (each, a "Letter of Credit") in form and substance satisfying the requirements of each Governmental Authority having regulatory authority over such Affiliate;

(3) at the request of the Company, authorizing the Company to withhold Subject Premium ("Withheld Funds") to the extent that the Company or an Affiliate determines it is required to permit the Company or an Affiliate to fund statutory deposit requirements, subject to the Company's payment of interest on Withheld Funds as set forth below.

a. Provided that Obligations are fully secured, within sixty (60) days of the end of each calendar quarter, the Company will pay Reinsurer a fixed annual interest rate of 3.50% (the "Interest Rate") on the Withheld Funds balance. The Company may retain any interest payable to the Reinsurer to the extent that the Reinsurer, pursuant to the Company's calculation based on the current calendar quarter's data, has not fully secured the Obligations. Any interest so retained will be added to Withheld Funds immediately. The parties agree that for each calendar quarter interest shall be calculated based on the average daily Withheld Funds balance for the subject calendar quarter for the calendar quarter ended March 31, 2019, interest shall be calculated for the period from and including January 11, 2019 through March 31, 2019 and that for subsequent calendar quarters, interest shall be calculated based on the number of days in which there is a Withheld Funds balance.
b. The Interest Rate and any reset Interest Rate as determined below shall apply only to the assets constituting the Withheld Funds balance as of January 14, 2019, including substitutions of assets with respect thereto.
c. The Interest Rate for calendar year 2020 and each succeeding calendar year will reset as set forth herein on an annual basis on December 31, 2019 and each succeeding December 31, respectively ("Reset Date").
d. On each Reset Date, the reset Interest Rate shall be mutually determined by the parties, in good faith, based on the current market yield on a portfolio similar to the portfolio of Reinsurer Trust Assets maintained by the Reinsurer for the benefit of the Company as of December 31, 2018. The parties shall consider, without limitation, (i) principal reinvestment that may have taken place over time at market yields in effect at the time of principal receipt, (ii) the reduced duration of the portfolio that likely would have occurred over time, (iii) potential mark to market movements that may have occurred on the portfolio based on shifting portfolio market yields, and (iv) any other factors

that both parties agree are relevant. If the parties are not able to reach an agreement on a reset Interest Rate, the Interest Rate as of the immediately prior December 31 shall remain in effect.

e. The parties further agree that a reasonable benchmark for current and historical market yields is USD US Corporate A+, A, A- five year corporate yield from the Bloomberg BVSC0074 Index, which is quoted as a 3.495% yield as of January 9, 2019.

(4) In the event that the Company is not required to provide security to an Affiliate pursuant to an Underlying Reinsurance Agreement in order for that Affiliate to receive credit for reinsurance or to comply with the requirements of any Governmental Authority, the Reinsurer agrees that it will establish a Company Trust Account for the sole benefit of the Company pursuant to a trust agreement to be entered by the Reinsurer, Company and a Trustee, which meets the applicable requirements of each Governmental Authority having regulatory authority over the Company and in a form substantially similar to the existing Affiliate Trust Agreements and that upon the establishment of such Company Trust Account, the Company will cause the subject Affiliates to release Reinsurer Trust Assets held by such Affiliates for deposit into the Company Trust Account. Any such assets in the Company Trust Account, and any additional assets provided by the Reinsurer for deposit in the Company Trust Account, shall be deemed Reinsurer Trust Assets.

(5) The Company also shall establish a Company Trust Account in a form substantially similar to the existing Affiliate Trust Accounts for the deposit of Reinsurer Trust Assets which secure the Indirect Obligations.

For the avoidance of doubt, taking into account the undrawn balance of any Letter(s) of Credit, the Reinsurer shall not be required to provide or cause to be provided security pursuant to this Article XXIII with an Aggregate Collateral Value (as defined below) in excess of the Reinsurer's Obligations.

B. The "Obligations" referred to herein means as of any date of determination, an amount equal to (i) 100% of the sum of the Direct Obligations, plus (ii) with respect to the Direct Obligations, the Funding Percentage multiplied by the sum of the Direct Obligations, plus (iii) the Indirect Obligations.

(1) "Direct Obligations" means the then current (as of the end of each calendar quarter) sum of:

(a) The amount of Ultimate Net Loss ceded hereunder for which the Reinsurer is responsible to the Company but has not yet paid, including, without duplication, with respect to each Affiliate, the amount of ceded Ultimate Net Loss for which the Company is responsible to such Affiliate but has not yet paid;

(b) The amount of ceded reserves hereunder for Ultimate Net Loss (including without limitation ceded reserves for claims reported but not resolved and losses incurred but not reported) for which the Reinsurer is responsible to the Company, including, without duplication, with respect to each Affiliate, the amount of ceded Ultimate Net Loss for which the Company is responsible to such Affiliate; and

(c) The amount of ceded reserves hereunder for Subject Premium, including, without duplication, with respect to each Affiliate, the amount of ceded reserves for unearned Affiliate Subject Premiums attributable to such Affiliate.

(2) For the avoidance of doubt, the Direct Obligations shall not include any business ceded under the Quota Share Reinsurance Contract among AmTrust Europe Limited ("AEL"), an Affiliate of the Company, AmTrust International Underwriters DAC ("AIU"), an Affiliate of the Company, and Reinsurer dated as of April 1, 2011, as amended (the "European Quota Share")

(3) "Indirect Obligations" means, at such times as the Funding Percentage is 5%, the amount equal to 5%, and in the event that the Funding Percentage is 10%, the amount equal to 10%, of the aggregate amount of the security that the Reinsurer is required to post for the benefit of each of AEL and AIU pursuant to the European Quota Share.

"Funding Percentage" means 5%, provided that, immediately upon a Reinsurer Change of Control in which any Person or group of Persons acting in concert, other than a Company Affiliate, in a transaction or series of transaction acquires ownership and control of more than 50% of the voting shares or assets of Reinsurer, the Funding Percentage shall be 10%.

"Company Affiliate" means Barry D. Zyskind, George Karfunkel or Leah Karfunkel, or with respect to them, another Person that, directly or indirectly, controls, is controlled by, or is under common control with, any of them, where "control," including the terms "controlling," "controlled by" and "under common control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise., acting alone or in concert with each other or other Persons acquire ownership and control of such voting shares or assets.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, association, trust, unincorporated organization, Governmental Authority or other entity.

"Governmental Authority" means any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous.

C. With respect to the Affiliate Trust Accounts and if applicable, Company Trust Accounts, the following shall apply:

(1) The Reinsurer shall transfer Reinsurer Trust Assets to the Company, and the Company shall immediately upon receipt thereof transfer to the Trustee, for deposit into the applicable Affiliate Trust Account or Company Trust Account, such Reinsurer Trust Assets, to be held in trust by the Trustee for the benefit of such Affiliate, or as the case may be, the Company, as security for the payment of the Reinsurer's Obligations. The Reinsurer Trust Assets shall be maintained in the Affiliate Trust Account or Company Trust Account, as the case may be, as long as the Reinsurer continues to remain liable for its Obligations; provided however, that, with respect to Affiliate Trust Accounts, all Reinsurer Trust Assets shall be maintained in a sub-account of the Affiliate Trust Account separate and apart from any other assets deposited therein by the Company. For each Affiliate Trust Account in which Reinsurer Trust Asset shall be deposited and, as applicable, the Company Trust Account, the Company shall authorize and direct the Trustee to timely provide to the Reinsurer all account statements and other notices to be delivered to the Company under the related Affiliate Trust Agreement.

(2) The Reinsurer agrees that the Reinsurer Trust Assets shall be valued according to their current fair market value and shall consist only of currency of the United States of America, certificates of deposit issued by a United States bank and payable in United States legal tender, and investments of the types permitted by the Delaware Insurance Code ("Authorized Investments"). The Company agrees that the Reinsurer Trust Assets will be managed for the Company by AII Insurance Management, Ltd. ("AIM") in accordance the terms of and pursuant to the Asset Management Agreement dated July 3, 2007 entered into by Reinsurer and AIM (the "Asset Management Agreement").

(3) The Reinsurer, prior to transferring the Reinsurer Trust Assets to the Company, shall execute all assignments and endorsements in blank, and shall transfer legal title to the Company of all shares, obligations or any other assets requiring assignments, in order to permit the Reinsurer to transfer to the Trustee such Reinsurer Trust Assets for deposit into the Affiliate Trust Account or, as applicable, the Company Trust Account.

(4) All settlements of account between the Company and an Affiliate with respect to Reinsurer Trust Assets shall be made in cash or its equivalent.

(5) The Reinsurer acknowledges that the Reinsurer Trust Assets may be withdrawn by Company or any such Affiliate at any time, notwithstanding any provisions in

this Agreement or any Underlying Reinsurance Agreement, provided that such withdrawn assets shall be applied and utilized by the Company or an Affiliate or any successor of the Company or such Affiliate by operation of law, including, without limitation, any liquidator, rehabilitator, receiver or conservator of such Affiliate or the Company, without diminution because of the insolvency of the Company or such Affiliate, only for the following purposes:

(a) to reimburse Ultimate Net Loss paid by the Company or an Affiliate but not received from the Reinsurer or the Company, as the case may be, or for unearned premiums due to the Company or an Affiliate but not otherwise paid by the Reinsurer or the Company, as the case may be, with respect to the business reinsured hereunder; or

(b) to make payment to the Reinsurer of any amounts held in the Company Trust Account and Affiliate Trust Accounts that exceeds the Obligations (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate), respectively; or

(c) to pay any other amounts that the Company claims is due under this Agreement or the European Quota Share or that an Affiliate claims is due under the Underlying Reinsurance Agreement with respect to such amounts reinsured hereunder; or

(d) where the Company or an Affiliate has received notification of termination of a Company Trust Account or an Affiliate Trust Account in which Reinsurer Trust Assets are held, and where the Obligations under this Agreement or the European Quota Share with respect to amounts reinsured hereunder or thereunder, or the related Underlying Reinsurance Agreement remain unliquidated and undischarged ten (10) days prior to such termination, to withdraw amounts equal to such Obligations (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate) and deposit such amounts in a separate account, in the name of the Company or such Affiliate, as the case may be, in any United States bank or trust company, apart from its general assets, in trust for such uses and purposes specified in subparagraphs (a) and (b) above as may remain executory after such withdrawal and for any period after such termination.

D. With respect to assets to be returned to the Reinsurer from an Affiliate Trust Account or as applicable, the Company Trust Account, the following shall apply:

(1) The Company, at the written request of the Reinsurer, (i) shall use commercially reasonable efforts to seek the applicable Affiliate's approval to withdraw all or any part of the Reinsurer Trust Assets from the Affiliate Trust Account established for the benefit of such Affiliate and shall transfer such assets to the

Reinsurer, and (ii) as applicable, with respect to Company Trust Accounts, shall approve the withdrawal of any part of the Reinsurer Trust Assets therein, provided that in each case, the withdrawal conforms to the following requirements:

(a) the Reinsurer shall, at the time of any such withdrawal, deliver to the Company, for deposit by the Company into such Affiliate Trust Account or as applicable, the Company Trust Account, other Authorized Investments having a market value equal to the market value of the assets withdrawn from such Affiliate Trust Account or as applicable, the Company Trust Account, and

(b) after such withdrawal, transfer, and deposit into such Affiliate Trust Account or as applicable, the Company Trust Account, the market value of assets in the Affiliate Trust Accounts established for the benefit of such Affiliate and as applicable, the assets in the Company Trust Account, is in an amount no less than the Obligations (less the undrawn balance available under any Letter(s) of Credit for the benefit of such Affiliate and less the fair market value of the Withheld Funds of such Affiliate).

(2) If an Affiliate returns to the Company excess assets withdrawn from the Affiliate Trust Account established for such Affiliate or an excess portion of the Withheld Funds, the Company shall immediately return to the Reinsurer its proportionate share of such excess assets.

(3) If, as of any date of determination, and with respect to the Company or any Affiliate, the sum of (w) the fair market value of the Reinsurer Trust Assets for the benefit of the Company or such Affiliate, (x) the undrawn balance of any Letters of Credit for the benefit of such Affiliate provided by or on behalf of the Reinsurer, (y) the fair market value of any separate account established by the Company or such Affiliate as described in Section C(5)(d) of this Article XXIII or Section 5.5 of the Master Collateral Agreement, and (z) the Withheld Funds of the Company or such Affiliate (the "Aggregate Collateral Value"), exceeds the sum of the Reinsurer's Obligations with respect to the Company or such Affiliate and the overall Aggregate Collateral Value exceeds the Excess Funding Requirement, as defined below (the "Excess Collateral Value"), the Company shall, with respect to such excess collateral, at its option, undertake one or more of the following:

(a) a withdrawal of such Reinsurer Trust Assets and the payment of withdrawn Reinsurer Trust Assets to the Reinsurer from the Company Trust Account or, with respect to an Affiliate Trust Account, pursuant to Section D(1) of this Article XXIII,

(b) payment to the Reinsurer of an amount in cash;

(c) payment to the Reinsurer of such Withheld Funds and/or payment to the Company by such Affiliate of Withheld Funds, and the payment to the Reinsurer of its proportionate share thereof;

(d) a payment to the Reinsurer by the Company from any separate account or accounts established by the Company as described in Sections C(5)(d) of this Article XXIII and or a payment to the Company by such Affiliate from any separate account or accounts established by such Affiliate as described in Section C(5)(d) of this Article XXIII or Section 5.5 of the Master Collateral Agreement, and the payment to the Reinsurer of its proportionate share thereof; and/or

(e) in accordance with the Master Collateral Agreement, the amendment or replacement of any of such Letters of Credit to reduce the undrawn balance of such Letters of Credit after giving effect to such amendment or replacement;

provided that the aggregate amount of such payments to the Reinsurer pursuant to (a) through (d) (which if paid using assets other than cash, such assets shall be valued at their fair market value at time of payment) plus such reduction in the undrawn balance of the Letters of Credit pursuant to (e) above shall at least equal the Excess Collateral Value. The Aggregate Collateral Value and the Reinsurer's Obligations with respect to such Affiliate shall be calculated (separately as to each Affiliate) as of the last day of each calendar quarter during the term of this Agreement, and the Excess Collateral Value, if any, resulting from such calculations shall be remitted to the Reinsurer not later than the forty-fifth (45^{th}) calendar day following the end of such calendar quarter.

"Excess Funding Requirement" means as of any date of determination, the greater of (A) \$54,000,000 or (B) the positive amount, if any, of (i) the sum of the Direct Obligations and the product of the Direct Obligations multiplied by the Funding Percentage, less (ii) the sum of the Direct Obligations plus the amount equal to 2% of the Direct Obligations related to AII and Technology and not to AEL or AIU; *provided, however*, that if the sum of the "Covered Losses" and "Commuted Covered Losses" paid or payable by the Retrocessionaire under the ADC Agreement exceed \$499,000,000, the Excess Funding Requirement shall equal \$0. To the extent that, over time, the amount of item (A) in the Excess Funding Requirement definition is materially greater than item (B) in the Excess Funding Requirement definition, the Company and the Reinsurer shall work together in good faith to revise the Excess Funding Requirement definition.

(4) In the event that any Affiliate or the Company withdraws Reinsurer Trust Assets from an Affiliate Trust Account or as applicable, the Company Trust Account, draws on a Letter of Credit and/or utilizes Withheld Funds in excess of the Reinsurer's Obligations, in excess of the amount payable by the Reinsurer to the Company with respect to such Obligations, or other than for the purposes described

in Section C(5) of this Article XXIII or Section 5.5 of the Master Collateral Agreement, the Company shall reimburse the Reinsurer, or with respect to the Letters of Credit, the Retrocessionaire, immediately for such amounts, taking into account any payments made by the Company to or on behalf of the Reinsurer pursuant to Section E(4) of this Article XXIII. If the Company or an Affiliate draws on a Letter of Credit such drawn amounts shall be subject to the Applicable terms of the Master Collateral Agreement.

(5) If the Company or an Affiliate withdraws Reinsurer Trust Assets from the Company Trust Account or any Affiliate Trust Account or draws on a Letter of Credit and deposits such assets in a separate account as described in Section C(5)(d) of this Article XXIII, the Company shall pay to the Reinsurer, not later than 15 calendar days following the end of each calendar month during the term of this Agreement, an amount equal to all dividends, interest and other income earned on the assets held in such account during such month, except to the extent that such dividends, interest or other income relate to assets of the Reinsurer for which the Company has made payment to the Reinsurer pursuant to Paragraph 2 of this Article XXIII(D) and except to the extent that the Aggregate Collateral Value at such time is less than the Reinsurer's Obligations with respect to such Affiliate; provided that any such payment shall be net of the Reinsurer's proportionate share of fees of the Trustee with respect to Reinsurer Trust Assets and shall be reduced by the amount of any unpaid fees or expenses then due and payable under the Asset Management Agreement .

E. The Company, upon receipt and not less frequently than quarterly, will provide to the Reinsurer statements prepared by the Affiliates for the purpose of showing the Reinsurer's Obligations to the Company and/or Company's Obligations in respect of each Affiliate and a statement prepared by Company showing the Reinsurer's Obligations. If the Reinsurer's Obligations exceeds the market value of the security provided by the Reinsurer to the Company for itself or any Affiliate as required by in Section A of this Article XXIII, the Reinsurer will, within fifteen (15) days of receipt of the statements, provide additional security of such types with respect to the Reinsurer's proportionate share of the Obligations to such Affiliate(s).

3. The Company and the Reinsurer acknowledge and agree that (i) when Article I was deleted and restated as part of the Partial Termination Endorsement (effective January 1, 2019) to this Agreement, the definition of "Covered Business" was inadvertently omitted and (ii) Article I was intended, and shall be deemed, to read as follows, effective January 1, 2019, with the definition of Covered Business added as shown in **bold text** below:

"The Reinsurer, subject to the terms and conditions hereunder and the exclusions set forth herein, agrees to indemnify the Company, as specified in Article V below, for its Ultimate Net Loss which accrues during the term of this Agreement under any and all binders, policies, or contracts of insurance issued by Affiliates (individually, a "Policy" and, collectively, "Policies") pursuant to an Underlying Reinsurance Agreement to the extent covering the lines of business being ceded hereunder immediately prior to the Effective Time (excluding Terminated Business)**(the "Covered Business")**. Covered Business shall not include any Policy to the extent that the ceding Affiliate's retention exceeds $5,000,000."

4. All other terms and conditions of the Agreement, as amended, which pertain to business ceded to the Reinsurer shall remain in effect until the final resolution of Ultimate Net Loss on all ceded business.

5. In connection with this Agreement, the Company and the Reinsurer entered into a Reinsurer Trust Assets Collateral Agreement dated as of December 1, 2008, as amended (the "Collateral Agreement"). The Company and the Reinsurer hereby agree, that notwithstanding anything in the Collateral Agreement to the contrary, to the extent of any inconsistency between this Agreement and the Collateral Agreement, this Agreement shall control.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized officer, have executed this POST-TERMINATION ENDORSEMENT NO. 1 as of the dates set forth below:

AMTRUST INTERNATIONAL INSURANCE, LTD.	MAIDEN REINSURANCE LTD.
By:____________________	By:____________________
Dated:____________________	Dated: 7/30/2019

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized officer, have executed this POST-TERMINATION ENDORSEMENT NO. 1 as of the dates set forth below:

AMTRUST INTERNATIONAL INSURANCE, LTD.	MAIDEN REINSURANCE LTD.
By: ____________	By: ____________
Dated: July 31, 2019	Dated: ____________

EXECUTION VERSION

MASTER COLLATERAL AGREEMENT

This MASTER COLLATERAL AGREEMENT, dated as of July 31, 2019 (this "Agreement"), is made by and among Maiden Reinsurance Ltd., a Bermuda insurance company ("Maiden Re"), Cavello Bay Reinsurance Limited, a Bermuda insurance company (the "Retrocessionaire"), AmTrust Financial Services, Inc., a Delaware corporation ("AFSI"), AmTrust International Insurance, Ltd., a Bermuda insurance company ("AII"), and Technology Insurance Company, Inc., a Delaware insurance company ("Technology"). Capitalized terms used but not otherwise defined herein have the respective meaning set forth in Section 1.1.

RECITALS

WHEREAS, certain insurance companies owned directly or indirectly by AFSI (collectively, the "Original Cedents" and each, an "Original Cedent"), have issued the Reinsured Policies constituting the Underlying Business;

WHEREAS, the Original Cedents have ceded a quota share portion of the liabilities arising under the Reinsured Policies to AII;

WHEREAS, Maiden Re has entered into the Existing Quota Share Agreement, whereby AII ceded and Maiden Re assumed, among other liabilities, the Covered Losses;

WHEREAS, Maiden Holdings, Ltd., a Bermuda company, Maiden Re, and Enstar Group Limited, a Bermuda company, entered into a Master Agreement on March 1, 2019 (the "Master Agreement") pursuant to which the parties agreed to enter into the ADC Agreement;

WHEREAS, pursuant to the ADC Agreement, Maiden Re will retrocede, and the Retrocessionaire will assume, one hundred percent (100%) of the liability of Maiden Re, as reinsurer, for Covered Losses under the Existing Quota Share Agreement in excess of the Retention and up to the Aggregate Limit, subject to the terms and conditions set forth in the ADC Agreement;

WHEREAS, AEL has entered into a trust agreement effective as of May 1, 2019 with AII pursuant to which AII maintains thereunder assets solely related to that certain Reinsurance Agreement, effective as of July 31, 2007, by and between AEL and AII in a trust account (the "AEL U.S. Trust Account") for the benefit of AEL;

WHEREAS, AIU has entered into a trust agreement effective as of May 1, 2019 with AII pursuant to which AII maintains thereunder assets solely related to that certain Quota Share Reinsurance Agreement, effective as of May 1, 2007, by and between AIU and AII in a trust account (the "AIU Trust Account") for the benefit of AIU;

WHEREAS, Technology has entered into a trust agreement effective as of April 23, 2008, as amended, with AII pursuant to which AII maintains thereunder assets solely related to that certain Reinsurance Agreement effective as of September 7, 2007 by and between Technology and AII and that certain Reinsurance Agreement effective as of October 1, 2017 by and between Technology and AII (which is the successor to that certain Reinsurance Agreement effective as of September 7, 2007), in a trust account (the "Technology Trust Account") for the benefit of Technology;

WHEREAS, Maiden Re may be required to establish the Company Trust Account to hold assets solely related to the Existing Quota Share Agreement for the benefit of AII;

WHEREAS, pursuant to that certain Reinsurer Trust Assets Collateral Agreement, effective as of December 1, 2008, as amended, by and between Maiden Re and AII (the "Reinsurer Trust Assets Collateral Agreement"), Maiden Re has pledged its interests in the AEL U.S. Trust Account, the AIU Trust Account and the Technology Trust Account to secure its obligations under the Existing Quota Share Agreement to post collateral to such accounts on behalf of AII;

WHEREAS, as contemplated by the ADC Agreement, Technology is willing to release certain funds held in the Technology Trust Account for the benefit of the Original Cedents, to the Retrocessionaire to fund, on behalf of Maiden Re, the Retrocession Premium payable under the ADC Agreement in exchange for the Retrocessionaire posting alternative collateral, all upon the terms and subject to the conditions more fully set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties hereto (each individually, a "Party" and collectively, the "Parties") hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below.

"ADC Agreement" means that Adverse Development Cover Agreement entered into as of the date hereof and effective as of January 1, 2019 by and between Maiden Re and the Retrocessionaire.

"Adjusted Required Balance" means the AII Adjusted Required Balance or the Technology Adjusted Required Balance, as the context requires.

"AEL" means AmTrust Europe Limited, an insurance company registered in England and Wales.

"AEL Applicable Reserves" means (i) the Subject Reserves, multiplied by (ii) the Reserve Ratio of AEL.

"AEL Required Balance" means an amount equal to the AEL Applicable Reserves as of the date of determination.

"AEL U.S. Trust Account" has the meaning set forth in the Recitals.

"Affiliate" means, with respect to any Person, another Person that, directly or indirectly, controls, is controlled by, or is under common control with, such first Person, where "control," including the terms "controlling," "controlled by" and "under common control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"AFSI" has the meaning set forth in the Preamble.

"Aggregate Limit" means $600,000,000.

"Aggregate Required Balance" means the sum of (i) the AII Adjusted Required Balance and (ii) the Technology Adjusted Required Balance.

"Agreement" has the meaning set forth in the Preamble.

"AII" has the meaning set forth in the Preamble.

"AII Adjusted Required Balance" means the AII Required Balance, provided, however, that if, but for this proviso, the Aggregate Required Balance would exceed the Remaining Aggregate Limit, then the "AII Adjusted Required Balance" shall mean the sum of (a) (i) the Remaining Aggregate Limit multiplied by (ii) the Reserve Ratio of AEL and (b) (i) the Remaining Aggregate Limit multiplied by (ii) the Reserve Ratio of AIU.

"AII Applicable Reserves" means the sum of (a) the AEL Applicable Reserves and (b) the AIU Applicable Reserves.

"AII Required Balance" means the sum of the AEL Required Balance and the AIU Required Balance as of the date of determination.

"AIU" means AmTrust International Underwriters DAC, an insurance company registered in Ireland ("AIU").

"AIU Applicable Reserves" means (i) the Subject Reserves, multiplied by (ii) the Reserve Ratio of AIU.

"AIU Required Balance" means an amount equal to the AIU Applicable Reserves as of the date of determination.

"AIU Trust Account" has the meaning set forth in the Recitals.

"Amount of Collateral" has the meaning set forth in Section 5.3(b).

"AmTrust Parties" means AFSI, AII and Technology.

"Applicable Law" means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules or regulations, in each case applicable to any Party, and any Order applicable to any Party.

"Applicable Reserves" means the AII Applicable Reserves or the Technology Applicable Reserves, as the context requires.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks in New York City or Bermuda are required or authorized by law to be closed.

"Claims" means any monetary demand, suit, occurrence or loss, actual or alleged, arising out of or in connection with the Reinsured Policies.

"Collateral" has the meaning set forth in Section 5.1(b).

"Commutation Agreement" means that certain Commutation and Release Agreement by and between AII and Maiden Re entered into on the date hereof.

"Commuted Covered Losses" means all losses and related amounts under the Existing Quota Share Agreement that are commuted under the Commutation Agreement, as and when such losses are paid or settled by AII or its Affiliates, provided that such losses and other related amounts shall not exceed $312,785,677.

"Commuted Reserves" means the aggregate amount of gross reserves of AII allocable to losses and related amounts under the Existing Quota Share Agreement that are commuted under the Commutation Agreement, less Third Party Reinsurance Recoverables allocable to such losses and related amounts, in each case calculated in accordance with GAAP, provided that such aggregate amount shall not exceed $312,785,677.

"Company Trust Account" has the meaning set forth in Post-Termination Endorsement No. 1.

"Covered Losses" means those Claims payable by Maiden Re after the Effective Time under the Existing Quota Share Agreement with respect to the Underlying Business, including all amounts payable in respect of allocated loss adjustment expenses, excess of policy limit payments and extra contractual obligations, but limited to those Claims incurred (whether or not reported) on or before December 31, 2018. For the avoidance of doubt, Covered Losses shall not include (i) any Claims under the Existing Quota Share Agreement incurred after December 31, 2018, and (ii) any Excluded Liabilities.

"Disputed Item" has the meaning set forth in Section 5.4(e).

"Effective Date" means January 1, 2019.

"Effective Time" means 12:01 a.m. Eastern time on the Effective Date.

"Excess Funding Requirement" has the meaning set forth in Post-Termination Endorsement No. 1.

"Excluded Liabilities" has the meaning set forth in Section 2.5(d) of the ADC Agreement.

"Existing Quota Share Agreement" means that certain Amended and Restated Quota Share Reinsurance Agreement between AII and Maiden Re dated as of July 1, 2007, as amended, including, without limitation, by Post-Termination Endorsement No. 1.

"Existing Trust Accounts" means, collectively, the AEL U.S. Trust Account, the AIU Trust Account, the Technology Trust Account and the Company Trust Account.

"Funding Statement" has the meaning set forth in Section 5.4(a).

"GAAP" means U.S. generally accepted accounting principles, consistently applied.

"Governmental Authority" means any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous.

"Independent Actuary" has the meaning set forth in Section 5.4(e).

"Letters of Credit" means letters of credit posted by the Retrocessionaire in accordance with the terms of this Agreement, and in a form and type, and from an NAIC-approved institution, customarily accepted in reinsurance transactions and including all terms required by Applicable Law.

"Maiden Re" has the meaning set forth in the Preamble.

"Master Agreement" has the meaning set forth in the Recitals.

"Material Difference" has the meaning set forth in Section 5.4(e).

"NAIC" means the National Association of Insurance Commissioners.

"Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Original Cedents" has the meaning set forth in the Recitals.

"Other Commuted Covered Losses" has the meaning set forth in the ADC Agreement.

"Party" or "Parties" has the meaning set forth in the Recitals.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, association, trust, unincorporated organization, Governmental Authority or other entity.

"Post-Termination Endorsement No. 1" means the Post-Termination Endorsement No. 1 to the Existing Quota Share Agreement effective July __, 2019.

"Recoverables" has the meaning set forth in Section 9.2 of the ADC Agreement.

"Reinsured Policies" means, collectively, each "Underlying Reinsurance Agreement" as such term is defined in the Existing Quota Share Agreement.

"Reinsurer Trust Assets Collateral Agreement" has the meaning set forth in the Recitals.

"Remaining Aggregate Limit" means, as of any given date, an amount equal to the Aggregate Limit *minus* the Ultimate Net Loss paid by the Retrocessionaire under this Agreement or the ADC Agreement (without duplication) on or prior to such date, which cannot be less than zero.

"Representative" means, with respect to any Person, an employee, attorney or consultant of such Person or an Affiliate of such Person.

"Reserve Ratio" means, with respect to each of AEL, AIU and Technology, (i) the aggregate amount of gross reserves of AEL, AIU and Technology, respectively, allocable to the Underlying Business (but only with respect to liabilities incurred on or prior to December 31, 2018) ceded by each of AEL, AIU and Technology under the Existing Quota Share Agreement as of the date of determination, less Third Party Reinsurance Recoverables allocable to such Underlying Business, divided by (ii) the aggregate amount of gross reserves of AEL, AIU and Technology allocable to the Underlying Business (but only with respect to liabilities incurred on or prior to December 31, 2018) ceded by AEL, AIU and Technology under the Existing Quota Share Agreement as of the date of determination, less Third Party Reinsurance Recoverables allocable to such Underlying Business, in each case, calculated in accordance with GAAP.

"Retention" means $2,178,535,000.

"Retrocession Premium" means $445,000,000.

"Retrocessionaire" has the meaning set forth in the Preamble.

"Subject Reserves" means the aggregate amount of gross reserves of AII allocable to the Covered Losses ceded by AEL, AIU and Technology under the Existing Quota Share Agreement, less Third Party Reinsurance Recoverables allocable to such Covered Losses, plus Commuted Reserves, in each case, calculated in accordance with GAAP, in excess of the Retention and up to the Aggregate Limit. For the avoidance of doubt, pursuant to Post-Termination Endorsement No. 1, AII shall be responsible, and Maiden Re shall not indemnify

AII, for all Ultimate Net Loss (as defined in the Existing Quota Share Agreement) amounts within the loss corridor established pursuant to Section 1 of Post-Termination Endorsement No. 1 and reserves allocable to such losses shall not be ceded under the Existing Quota Share Agreement or reinsured under the ADC Agreement.

"Tax" means any and all federal, state, foreign or local income, gross receipts, premium, capital stock, franchise, guaranty fund assessment, retaliatory, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, fee, duty, levy, custom, tariff, impost, assessment, obligation or charge of the same or of a similar nature to any of the foregoing, including any interest, penalty or addition thereto.

"Tax Return" means any report, estimate, extension request, information statement, claim for refund, or return relating to, or required to be filed in connection with, any Tax, including any schedule or attachment thereto, and any amendment thereof.

"Technology" has the meaning set forth in the Preamble.

"Technology Adjusted Required Balance" means the Technology Required Balance, provided, however, that if, but for this proviso, the Aggregate Required Balance would exceed the Remaining Aggregate Limit, then the "Technology Adjusted Required Balance" shall mean (i) the Remaining Aggregate Limit multiplied by (ii) the Reserve Ratio of Technology.

"Technology Applicable Reserves" means (i) the Subject Reserves, multiplied by (ii) the Reserve Ratio of Technology.

"Technology Required Balance" means an amount equal to the Technology Applicable Reserves as of the date of determination.

"Technology Trust Account" has the meaning set forth in the Recitals.

"Third Party Reinsurance Agreements" means ceded reinsurance related to the Underlying Business other than the Existing Quota Share Agreement and the ADC Agreement.

"Third Party Reinsurance Recoverables" means recoveries under Third Party Reinsurance Agreements with respect to the Underlying Business, whether actually collected or not, by or on behalf of Maiden Re or, to the extent that such Third Party Reinsurance Agreements inure to the benefit of the Existing Quota Share Agreement, AEL, AIU, AII or the Original Cedents.

"Transaction Agreements" means this Agreement, the Master Agreement, ADC Agreement, the Existing Quota Share Agreement and the Letters of Credit.

"Ultimate Net Loss" means (i) Covered Losses actually paid by or on behalf of Maiden Re, plus (ii) Commuted Covered Losses paid or settled by AII or its Affiliates, plus (iii) Other Commuted Covered Losses, less (iv) Recoverables actually collected with respect to

Covered Losses by or on behalf of Maiden Re, less (v) Third Party Reinsurance Recoverables with respect to Covered Losses.

"Underlying AII Reinsurance Agreements" means, collectively, that certain Reinsurance Agreement effective as of July 31, 2007 by and between AEL and AII, that certain Quota Share Reinsurance Agreement effective as of May 1, 2007 by and between AIU and AII and the Underlying AII-Technology Reinsurance Agreement.

"Underlying AII-Technology Reinsurance Agreement" means that certain Reinsurance Agreement effective as of October 1, 2017 by and between Technology and AII.

"Underlying Business" means, collectively, "Covered Business" as such term is defined in the Existing Quota Share Agreement.

ARTICLE II

ADMINISTRATION AND REPORTS

2.1 Administration. The Underlying Business will continue to be administered by the Original Cedents.

2.2 Reports. Each of AII and Technology shall, and shall cause each Original Cedent to, provide to the Retrocessionaire copies of all accounting and other reports due to Maiden Re in accordance with the Existing Quota Share Agreement. In addition, AII shall provide Maiden Re and the Retrocessionaire all information they reasonably request with respect to the payment of Commuted Covered Losses. Upon receipt of notice from Maiden Re of an Administrative Triggering Event, as defined in the ADC Agreement, each of AII and Technology shall grant the Retrocessionaire, its Affiliates and their Representative access and rights to use all online reporting and monitoring systems used by Maiden Re with respect to the Underlying Business and the Commuted Covered Losses.

ARTICLE III

[RESERVED]

ARTICLE IV

DURATION AND TERMINATION

4.1 Duration and Termination.

(a) This Agreement shall commence as of the date hereof and continue in force until the termination of the ADC Agreement and the earlier of the date on which (i) Retrocessionaire has paid aggregate Ultimate Net Losses equal to the Aggregate Limit; and (ii)

Maiden Re's liability under all of the Reinsured Policies for Covered Losses is terminated or extinguished.

(b) Provided that, as of the date of termination of the ADC Agreement, one hundred (100%) percent of the applicable reinsurer's obligations under the Existing Quota Share Agreement (without giving effect to any Excess Funding Requirement) and Underlying AII Reinsurance Agreements are secured by assets in the Existing Trust Accounts or otherwise (exclusive of any Collateral posted by the Retrocessionaire hereunder), each Letter of Credit shall immediately terminate and be returned to the Retrocessionaire for cancellation and all other Collateral posted by the Retrocessionaire pursuant to this Agreement shall be immediately returned to or payable to the Retrocessionaire by AII and Technology, as applicable.

(c) In the event that, as of the date of termination of the ADC Agreement, less than 100% of the applicable reinsurer's obligations under the Existing Quota Share Agreement (without giving effect to any Excess Funding Requirement) and Underlying AII Reinsurance Agreements are secured by assets in the Existing Trust Accounts or otherwise (exclusive of any Collateral posted by the Retrocessionaire hereunder), Maiden Re shall promptly fund such shortfall to the extent such shortfall relates to its obligations under the Existing Quota Share Agreement (without giving effect to any Excess Funding Requirement) and AII shall promptly fund such shortfall to the extent such shortfall relates to its obligations under the Underlying AII Reinsurance Agreements. If Maiden Re fails to fund such shortfall as required by the preceding sentence, AII, or, to the extent that AII is the AmTrust Party that is undersecured, AFSI, shall promptly fund such shortfall and if AII fails to fund such shortfall as required by the preceding sentence, AFSI shall promptly fund such shortfall and, immediately after all such funding, each Letter of Credit shall immediately terminate and be returned to the Retrocessionaire for cancellation and all other Collateral posted by the Retrocessionaire pursuant to this Agreement shall be immediately returned to or payable to the Retrocessionaire by AII and Technology, as applicable.

4.2 Effect of Termination. Notwithstanding the other provisions of this ARTICLE IV, the terms and conditions of Section 5.7, Section 5.9, ARTICLE I, ARTICLE IV and ARTICLE VII shall remain in full force and effect after the termination of this Agreement.

ARTICLE V

SECURITY

5.1 Retrocession Premium; Security.

(a) Within ten (10) Business Days of the date hereof and simultaneously with their receipt of the initial Collateral contemplated by Section 5.1(b), Technology shall pay the Retrocessionaire by wire transfer of immediately available funds an amount equal to the Retrocession Premium. Such payment shall be made on behalf of Maiden Re in satisfaction of its obligation to pay the Retrocession Premium pursuant to the ADC Agreement.

(b) Simultaneously with its receipt of the Retrocession Premium as contemplated by Section 5.1(a), the Retrocessionaire shall collateralize its obligations under the ADC Agreement by posting Letters of Credit for the sole benefit of AII and Technology under the Existing Quota Share Agreement (together with any amounts drawn on such Letters of Credit and not used to pay Covered Losses reinsured by the Retrocessionaire under the ADC Agreement, the "Collateral"). The Retrocessionaire and Maiden Re acknowledge and agree that the Collateral is intended to satisfy certain obligations of Maiden Re to provide security to AII with respect to Covered Losses. The Amount of Collateral initially posted by the Retrocessionaire shall be in an aggregate amount equal to the amount of the Retrocession Premium, and the Amount of Collateral shall be adjusted periodically as more fully set forth in this ARTICLE V. In the event that a Letter of Credit does not permit the beneficiary thereof to (i) receive credit for reinsurance in the United States jurisdiction having regulatory authority over such beneficiary in the full amount of such Letter of Credit or (ii) with respect to AII, under the Bermuda Solvency Capital Requirements, receive equivalent capital credit for a Letter of Credit as for assets held in trust, to the same extent that such beneficiary is entitled as of the date hereof, such beneficiary may draw down the Letter of Credit at such time as is necessary to avoid a Schedule F penalty or capital charge related to the use of the Letter of Credit in place of assets held in trust; provided that, prior to such beneficiary so drawing down, the Parties shall negotiate in good faith for a reasonable period of time prior to the imposition of such Schedule F penalty or capital charge to permit the Retrocessionaire to post, to the extent necessary to avoid such Schedule F penalty or capital charge, alternative collateral which qualifies for credit for reinsurance or would otherwise avoid such capital charge and would provide the Retrocessionaire with the same (or as near the same as practicable) economic benefits (including modeled investment returns) it expects to receive in connection with the transactions contemplated by this Agreement as of the date hereof.

(c) Technology shall have the right to designate in writing to the Retrocessionaire that all or any portion of the Collateral otherwise required to be posted for its benefit hereunder with respect to its reserves ceded to AII pursuant to the Underlying AII-Technology Reinsurance Agreements be instead posted by the Retrocessionaire for the benefit of AII. In any such case, any and all obligations for the Retrocessionaire to pay Covered Losses under this Agreement or the ADC Agreement (without duplication) to Technology shall be satisfied by the payment of such Covered Losses by the Retrocessionaire to AII.

(d) To facilitate the initial payment of the Reinsurance Premium, the Retrocessionaire shall deliver the Collateral to an agent selected by Technology and reasonably acceptable to the Retrocessionaire, and such agent shall hold the Collateral in escrow pending confirmation that the Retrocessionaire has received the Retrocession Premium and, upon such confirmation, such agent shall distribute or otherwise make available the Collateral to AII and Technology, as applicable.

5.2 Restrictions on Use of Collateral. Maiden Re, AII and Technology shall not, and AII and Technology shall not permit the Original Cedents, as applicable, to grant or cause to be created in favor of any Person any security interest whatsoever in all or any part of the Collateral. Maiden Re, AII and Technology shall, and AII and Technology shall cause the Original Cedents, as applicable, to, hold all assets withdrawn from all or any part of the Collateral in trust for the sole and exclusive benefit of the Retrocessionaire, subject in each case to the rights of AII, Technology and the Original Cedents, as applicable, to withdraw and apply assets from the Collateral solely for the purposes expressly set forth herein.

5.3 Amount of Collateral.

(a) Subject to the provisions of Section 5.1(c), Section 5.4 and Section 5.5, on and after the date hereof, the Retrocessionaire shall ensure that, in accordance with the terms and conditions expressly set forth in this ARTICLE V, the Amount of Collateral posted by the Retrocessionaire for the benefit of AII and Technology is greater than or equal to the AII Adjusted Required Balance and the Technology Adjusted Required Balance, as applicable, as of any date of determination.

(b) Subject to adjustment as provided herein, the measure of Collateral shall be the sum of the face amount of each Letter of Credit on the date of determination and any funds withheld by AII or Technology pursuant to Section 5.5 (the "Amount of Collateral").

(c) Notwithstanding anything to the contrary contained herein, as of any date of determination, in no event will the aggregate Amount of Collateral required to be posted by the Retrocessionaire exceed the Remaining Aggregate Limit.

5.4 Ongoing Funding of Collateral.

(a) Within thirty (30) days after the end of each calendar year, AII shall deliver to the Retrocessionaire and Maiden Re as required under the Existing Quota Share Agreement a cession statement with supporting details in the form currently provided to Maiden Re setting forth the total collateral to be provided by Maiden Re under the Existing Quota Share Agreement as of the end of the subject calendar year, including obligations arising out of reserves ceded to Maiden Re that are retroceded to the Retrocessionaire under the ADC Agreement (each a "Funding Statement"). Also, commencing with the third calendar quarter of 2019, within thirty (30) calendar days following the end of each calendar quarter (other than the fourth calendar quarter), AII shall deliver to Retrocessionaire and Maiden Re a Funding Statement as of the end of the subject calendar quarter. It is the Parties' intent that each Funding Statement shall enable the Retrocessionaire and Maiden Re to confirm the calculation of the required Amount of Collateral and the allocation of the Amount of Collateral to the AII Adjusted Required Balance and the Technology Adjusted Required Balance. In addition, AII shall report to the Retrocessionaire and Maiden Re the amount of Commuted Reserves and Commuted Covered Losses paid by AII during the relevant period.

(b) If for any calendar quarter the AII Adjusted Required Balance or the Technology Adjusted Required Balance is greater than the Amount of Collateral then posted by the Retrocessionaire with respect to the related Applicable Reserves based solely on the Funding Statement, the Retrocessionaire shall increase the applicable Letter of Credit by an amount equal to such shortfall within fifteen (15) calendar days after receipt of the Funding Statement pursuant to Section 5.4(a). For avoidance of doubt, Retrocessionaire shall not be required to increase the face amount of any Letter or Credit to the extent that it would exceed the applicable Adjusted Required Balance, and in no event shall Retrocessionaire be required to increase the face amount of any Letter or Credit to the extent that the aggregate amount of Letters of Credit and other Collateral posted under this Agreement, *plus* the aggregate Ultimate Net Loss paid by Retrocessionaire under the ADC Agreement, would exceed $600,000,000.

(c) If for any calendar quarter, the Amount of Collateral posted in respect of the AII Adjusted Required Balance or the Technology Adjusted Required Balance is less than the total collateral required to be posted in respect of the AII Adjusted Required Balance or the Technology Adjusted Required Balance (as applicable) pursuant to the subject Funding Statement as a result of ceded reserves that Maiden Re and the Retrocessionaire agree are not related to Covered Losses (a "Collateral Funding Deficiency"), within fifteen (15) calendar days after receipt of the Funding Statement pursuant to Section 5.4(a), Maiden Re shall deposit assets in the aggregate amount of the Collateral Funding Deficiency multiplied by the applicable Funding Percentage (as defined in Post-Termination Endorsement No. 1) in the applicable Existing Trust Account.

(d) If for any calendar quarter the AII Adjusted Required Balance or the Technology Adjusted Required Balance is less than the Amount of Collateral then posted or deposited by the Retrocessionaire with respect to the related Applicable Reserves, AII and Technology, as applicable, shall consent to the reduction of the face amount of the Letters of Credit, such that the Amount of Collateral posted by the Retrocessionaire with respect to each Adjusted Required Balance does not exceed the sum of (i) such Adjusted Required Balance and (ii) any deficiency in collateral required to be posted by Maiden Re under the Existing Quota Share Agreement (without giving effect to any Excess Funding Requirement set forth in Post-Termination Endorsement No. 1); provided, however, that the deficiency described in the foregoing clause (ii) shall only be included in such sum to the extent that the aggregate Amount of Collateral posted by the Retrocessionaire would not exceed the Remaining Aggregate Limit. Each of AII and Technology shall take all actions reasonably requested by the Retrocessionaire to effect the intention of the prior sentence, including returning any existing Letter of Credit to the issuing bank in exchange for a replacement Letter of Credit for the applicable lower face amount. In the event any Collateral posted by the Retrocessionaire is not released pursuant to this Section 5.4(d) due to a deficiency in the collateral required to be posted by Maiden Re under the Existing Quota Share Agreement, AII and AFSI shall reimburse the Retrocessionaire for all costs, expenses and other damages incurred by the Retrocessionaire in connection with maintaining such excess Collateral.

(e) In the event the Retrocessionaire disagrees with any matters set forth in a Funding Statement, (i) the Retrocessionaire shall increase the applicable Letter of Credit if and to the extent required by Section 5.4(b) (without regard to any disagreement with the Funding Statement) and (ii) within thirty (30) calendar days following receipt of the Funding Statement, the Retrocessionaire shall deliver to Maiden Re a notice of disagreement specifying in reasonable detail each item it disputes, including the amount of the AII Adjusted Required Balance and the Technology Adjusted Required Balance it disputes (each, a "Disputed Item"). If the Retrocessionaire does not deliver a notice of disagreement within such thirty (30) calendar days, then the AII Adjusted Required Balance and the Technology Adjusted Required Balance set forth in the Funding Statement shall be final and binding. If the Retrocessionaire does timely submit a notice of disagreement, then any undisputed portion of the AII Adjusted Required Balance and the Technology Adjusted Required Balance shall be final and binding, and the Retrocessionaire and Maiden Re shall negotiate in good faith to resolve the Disputed Items for ten (10) Business Days following receipt by Maiden Re of the notice of disagreement. If the Retrocessionaire and Maiden Re cannot resolve the Disputed Items within such ten (10) Business Day period, they shall submit the Disputed Items to a mutually acceptable, independent actuarial firm ("Independent Actuary"), with an international reputation to resolve the Disputed Items. Each of the Retrocessionaire and Maiden Re shall furnish to the Independent Actuary such work papers, books, records and documents and other information pertaining to the Disputed Items as the Independent Actuary may request. The Retrocessionaire and Maiden Re shall instruct the Independent Actuary to issue its written determination with respect to each of the Disputed Items, and whether its determination of the Disputed Item represents a material difference in the Adjusted Required Balance determined by Maiden Re (a "Material Difference"), within thirty (30) calendar days after such matters are submitted to the Independent Actuary for review. The costs and expenses of the Independent Actuary shall be fully paid by (i) Maiden Re if the Independent Actuary determines there was a Material Difference, or (ii) the Retrocessionaire if the Independent Actuary determines there was not a Material Difference. The determination by the Independent Actuary shall be binding on the Retrocessionaire and Maiden Re with respect to the Disputed Items. In the event that it is determined pursuant to this Section 5.4(e) that any of the AII Adjusted Required Balance or the Technology Adjusted Required Balance is less than such balances set forth in the Funding Statement delivered by AII pursuant to Section 5.4(a), Maiden Re shall immediately use its best efforts to arrange for AII or Technology, as applicable, to release to the Retrocessionaire the resulting excess Collateral posted by the Retrocessionaire hereunder, including by offering replacement collateral acceptable to AII or Technology. If Maiden Re is unable to arrange for such excess Collateral to be released to the Retrocessionaire, Maiden Re shall reimburse the Retrocessionaire for all costs, expenses and other damages reasonably incurred by the Retrocessionaire in connection with posting such excess Collateral, without regard to any of the limitations contained in Section 5.9.

(f) For all purposes in this Section 5.4, all Collateral posted for the benefit of AII at the direction of Technology pursuant to Section 5.1(c), shall be deemed posted to Technology.

5.5 Withdrawal of Collateral by AII or Technology.

(a) AII and Technology (including any successor by operation of law, including any liquidator or rehabilitator, receiver or conservator) each agree that they will only draw on one or more Letters of Credit, or use any other Collateral, as applicable, after utilizing all available collateral posted by Maiden Re with respect to Covered Losses below the Retention, and utilize and apply such amounts drawn on the Letters of Credit or withdrawn from any other Collateral for one or more of the following purposes:

(i) to pay for amounts due pursuant to the Existing Quota Share Agreement from Maiden Re to AII and Technology, as applicable, not otherwise paid by or on behalf of Maiden Re or the Retrocessionaire; and

(ii) when AII and Technology have received notification of the termination of the respective Letters of Credit, and Maiden Re's obligations under the Existing Quota Share Agreement remain unliquidated and undischarged ten (10) calendar days prior to the date of termination of Letters of Credit to fund a segregated account with AII and Technology, as applicable (which shall be deemed funds withheld amount under this Agreement), in an amount equal to the Collateral required under this Article V.

(b) AII and Technology shall, and AII and Technology shall cause the Original Cedents to, return to the Retrocessionaire, within five (5) Business Days, assets withdrawn in excess of all amounts due under Section 5.5(a)(i) or, in the case of Section 5.5(a)(ii), assets that are subsequently determined not to be due. AII and Technology shall, and AII and Technology shall cause the Original Cedents to, cause any such excess amount at all times to be held by AII and Technology (or any successor by operation of law of AII and Technology, including any liquidator, rehabilitator, receiver or conservator of AII and Technology, as applicable) in trust for the sole and exclusive benefit of the Retrocessionaire and be maintained in a segregated account, separate and apart from any assets of AII Technology and the Original Cedents for the sole purpose of funding the payments and reimbursements described in Section 5.5(a). AII and Technology shall, and AII and Technology shall cause the Original Cedents to, pay interest in cash to the Retrocessionaire on the amount withdrawn, equal to the actual amount of interest, dividends, and other income earned on the assets in such segregated account.

(c) In the event that AII or Technology draws on one or more Letters of Credit or otherwise use any other Collateral other than to pay for the Retrocessionaire's share of Covered Losses due from Maiden Re to AII or Technology, as applicable, not otherwise paid by or on behalf of the Retrocessionaire, AII and AFSI, shall reimburse the Retrocessionaire immediately for such amounts.

5.6 [Intentionally Omitted]

5.7 Termination of Collateral Arrangements. Subject to Section 4.1, promptly following termination of this Agreement and return to the Retrocessionaire of the Letters of Credit and all other Collateral, the Parties shall take all actions necessary to cancel the Letters of Credit and return any funds withheld.

5.8 Funding of Maiden and AII Collateral.

(a) During the duration of the ADC Agreement and this Agreement, Maiden Re shall maintain all collateral required under the Existing Quota Share Agreement, including Post-Termination Endorsement No. 1, with respect to risks reinsured by Maiden Re in connection with the Reinsured Policies that fall below the Retention or above the Aggregate

Limit. For the avoidance of doubt, Maiden Re shall not be required to maintain collateral for the Commuted Reserves.

(b) During the duration of the ADC Agreement and this Agreement, AII shall maintain all collateral required under the Underlying AII Reinsurance Agreements with respect to risks reinsured by AII thereunder.

5.9 Letter of Credit Fees. To the extent that the Retrocessionaire provides any Letters of Credit in accordance with the terms of this Agreement, Maiden Re shall reimburse the Retrocessionaire for its reasonably documented, customary fees and expenses owed to the issuing banks with respect to such Letters of Credit, provided that with respect to the Retrocessionaire's first $445,000,000 of Letters of Credit posted as Collateral under this Agreement, Maiden Re's reimbursement obligation shall be subject to an annual limit equal to $1,500,000. To the extent that the Retrocessionaire provides any Letters of Credit with respect to any additional Collateral required under this Agreement, including any additional Collateral posted with respect to the Retrocessionaire's obligations under the ADC Agreement related to the $155,000,000 difference between the Aggregate Limit and the $445,000,000 of reserves ceded as of the Effective Date under the ADC Agreement, Maiden Re's obligations under this Section 5.9 with respect to reasonably documented, customary fees and expenses owed to the issuing banks with respect to such Letters of Credit shall not be subject to any limit. All such reimbursements by Maiden Re shall be made within ten (10) Business Days of the Retrocessionaire providing such reasonable documentation to Maiden Re.

ARTICLE VI

ERRORS AND OMISSIONS; REGULATORY MATTERS; COVENANTS

6.1 Errors and Omissions. Inadvertent delays, errors or omissions made in connection with this Agreement or any transaction hereunder shall not relieve any Party from any liability which would have attached had such delay, error or omission not occurred, provided that such error or omission is rectified as soon as possible after discovery by an officer of such Party, and provided, further, that the Party making such error or omission or responsible for such delay shall be responsible for any additional liability which attaches as a result. If (a) the failure of any Party to comply with any provision of this Agreement is unintentional or the result of a misunderstanding or oversight and (b) such failure to comply is promptly rectified after discovery, the Parties shall be restored as closely as possible to the positions they would have occupied if no error or oversight had occurred.

6.2 Cooperation. The Parties shall cooperate with each other in order to accomplish the objectives of this Agreement by furnishing any additional information and executing and delivering any additional documents and taking such other actions as may be reasonably requested by the other Parties to further perfect or evidence the consummation of, or otherwise implement, any transaction contemplated by this Agreement or any Transaction Agreement, or to aid in the preparation of any regulatory filing or financial statement; provided, however, that any such additional documents must be reasonably satisfactory to each of the Parties and not impose upon any Party any material liability, risk, obligation, loss, cost or expense not contemplated by this Agreement or the Transaction Agreements to which it is a party.

6.3 Regulatory Matters.

(a) If any Party hereto or any of the Original Cedents, receives notice of, or otherwise becomes aware of any written inquiry, investigation, examination, audit, proceeding or action by Governmental Authorities relating to the Existing Quota Share Agreement, the reinsurance provided under the ADC Agreement or any Transaction Agreement, each Party hereto, as applicable, shall promptly notify the other Parties thereof to the extent permitted under Applicable Law, whereupon the Parties shall cooperate in good faith to resolve such matter in a mutually satisfactory manner and shall act reasonably in light of the Parties' respective interests in the matter at issue.

(b) At all times during the term of this Agreement, each of the Parties respectively agrees that it shall comply, and AII and Technology shall cause each Original Cedent to comply, in all material respects with all Applicable Law in connection with its performance of their respective obligations under this Agreement and each Transaction Agreement.

6.4 Existing Agreements. Each of AII, Technology and Maiden Re shall not, and shall cause each Original Cedent not to, commute, amend or waive the terms of the Existing Quota Share Agreement, or the risks reinsured thereunder, and not amend or enter into the related reinsurance trust agreements, including the Reinsurer Trust Assets Agreement, and investment guidelines with respect thereto, to the extent that such commutation, amendment, waiver or new agreement would have an adverse effect on the Retrocessionaire without the prior written consent of the Retrocessionaire, except (i) as required by Applicable Law or (ii) in the case of any amendments to the Existing Quota Share Agreement relating solely to the form of collateral provided by Maiden Re for risks that fall below the Retention or above the Aggregate Limit.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1 Notices. Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any Party hereunder shall be in writing and shall be delivered personally, sent by registered or certified mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following address:

If to Maiden Re:

Maiden Reinsurance Ltd.
Ideation House
94 Pitts Bay Road
Pembroke HM08
Bermuda
Attention: Denis Butkovic
Email: DButkovic@maidenre.com

with copies (which shall not constitute notice) to:

Locke Lord LLP
20 Church Street, 20th Floor
Hartford, CT 06103
Attention: Alan J. Levin
Email: alan.levin@lockelord.com

If to the Retrocessionaire:

Cavello Bay Reinsurance Limited
Windsor Place, 3rd Floor
22 Queen Street
Hamilton, HM11
Bermuda
Attention: Paul J. O'Shea
Email: Paul.OShea@enstargroup.com

with copies (which shall not constitute notice) to:

Hogan Lovells US LLP
1735 Market Street, Suite 2300
Philadelphia, PA 19103
Attention: Robert C. Juelke
Email: Bob.Juelke@hoganlovells.com

If to AII and/or Technology:

AmTrust Financial Services, Inc.
59 Maiden Lane, 43rd Floor
New York, NY 10038
Attention: Adam Karkowsky
Email: adam.karkowsky@amtrustgroup.com

with copies (which shall not constitute notice) to:

AmTrust Financial Services, Inc.
59 Maiden Lane, 43rd Floor
New York, NY 10038
Attention: Stephen Ungar
Email: stephen.ungar@amtrustgroup.com

Each Party may change its notice provisions on fifteen (15) calendar days' advance notice in writing to the other Party.

7.2 Entire Agreement. This Agreement (including the exhibits and schedules hereto), the other Transaction Agreements and any other documents delivered pursuant thereto, constitute the entire agreement among the Parties and their respective Affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof and thereof. In the event of any conflict between this Agreement and the Master Agreement with respect to the subject matter hereof, the provisions of this Agreement shall control.

7.3 Waiver and Amendment. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by an instrument in writing signed by the Parties hereto, or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of any Party to insist on compliance with any obligation contained in this Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right or remedy contained herein nor stop any Party from thereafter demanding full and complete compliance nor prevent any Party from exercising such right or remedy in the future. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

7.4 Successors and Assigns. The rights and obligations of the Parties under this Agreement shall not be subject to assignment without the prior written consent of the other Parties, and any attempted assignment without the prior written consent of the other Parties shall be invalid *ab initio* and void. The terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the Parties.

7.5 Headings. The headings and table of contents of this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

7.6 Governing Law; Specific Performance.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to such state's principles of conflict of laws that could compel the application of the laws of another jurisdiction.

(b) Notwithstanding any other provision to the contrary herein, each Party acknowledges that the breach of certain obligations may cause irreparable injury and damages, which may be difficult to ascertain. Without regard to paragraph (a) above, each Party immediately shall be entitled to seek injunctive relief with respect to such breaches by any other Party and without the requirement of posting a bond. This provision shall not in any way limit such other remedies as may be available to any Party at law or in equity.

7.7 Service of Suit.

(a) In the event of the failure of Maiden Re, AII or Technology to perform any of their respective obligations hereunder, such Party, at the request of the Retrocessionaire, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of such Party's rights to commence an action in any court of competent jurisdiction in the State of New York or to remove an action to a United States District Court for the Southern District New York. Such Party, once the appropriate court is selected, whether such court is the one originally chosen by the Retrocessionaire and accepted by such Party or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against such Party upon this Agreement, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

(b) Unless Maiden Re designates a different party in writing, service of process in such suit may be made upon C T Corporation System, 28 Liberty Street, New York, New York 10005, which is hereby authorized and directed to accept service of process on behalf of Maiden Re in any such suit. Unless AII or Technology designates a different party in writing, service of process in such suit may be made upon Corporation Service Company, 80 State Street, Albany, NY 12207-2543 which is hereby authorized and directed to accept service of process on behalf of such Party in any such suit.

(c) In the event of the failure of the Retrocessionaire to perform its obligations hereunder, the Retrocessionaire, at the request of Maiden Re, AII or Technology, shall submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Article constitutes or should be understood to constitute a waiver of the Retrocessionaire's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. The Retrocessionaire, once the appropriate court is selected, whether such court is the one originally chosen by one of the other Parties and accepted by the Retrocessionaire or is determined by removal, transfer, or otherwise, as provided for above, shall comply with all requirements necessary to give said court jurisdiction and, in any suit instituted against the Retrocessionaire upon this Agreement, shall abide by the final decision of such court or of any appellate court in the event of an appeal.

(d) Unless the Retrocessionaire designates a different party in writing, service of process in such suit may be made upon CT Corporation System, 28 Liberty Street, 42nd Floor, New York, NY 10005, which is hereby authorized and directed to accept service of process on behalf of the Retrocessionaire in any such suit.

7.8 No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

7.9 Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the Parties notwithstanding the fact that all Parties are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

7.10 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Agreement, the Parties shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the Parties as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

7.11 Offset. Each Party may offset any amount due to any other Party or any of such other Party's Affiliates under this Agreement or the ADC Agreement against any amounts owed or alleged to be owed from such other Party or its Affiliates under this Agreement or the ADC Agreement; provided that no Party may offset any amount due to another Party hereto or any of such other Party's Affiliates under this Agreement or the ADC Agreement against any amounts owed or alleged to be owed from such other Party or its Affiliates under any other agreement without the written consent of such other Party.

7.12 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties. For the purposes of calculating Applicable Reserves (and other measurements of reserves hereunder) and the conversion of any payments due under this Agreement into United States dollars, the Parties shall use the applicable exchange rate in effect on the date of payment or other date of measurement.

7.13 Interpretation. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, exhibits and schedules are references to the Articles, Sections, paragraphs, exhibits and schedules to this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the exhibits and schedules hereto; (d) references to "$" shall mean United States dollars; (e) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) except as otherwise provided herein, references to "written" or "in writing" include in electronic form; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) a reference to any Person includes such Person's successors and permitted assigns; (j) a reference to an agreement or other document includes amendments or restatements of such agreement or other document; (k) any reference to "days" means calendar days unless Business Days are expressly specified; and (l) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day. This Agreement shall take precedence over any exhibits or schedules hereto, to the extent of any conflict.

7.14 Conditional Effectiveness. This Agreement is subject to the approval of the ADC Agreement by the Bermuda Monetary Authority. If the Bermuda Monetary Authority fails to approve the ADC Agreement within ten (10) Business Days of the date hereof, this Agreement shall be void and of no further force or effect.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, all as of the date first written above.

MAIDEN REINSURANCE LTD.

By: ______________________
Name: PATRICK J. HAVERON
Title: PRESIDENT

CAVELLO BAY REINSURANCE LIMITED

By: ______________________
Name:
Title:

AMTRUST INTERNATIONAL INSURANCE, LTD.

By: ______________________
Name:
Title:

TECHNOLOGY INSURANCE COMPANY, INC.

By: ______________________
Name:
Title:

AMTRUST FINANCIAL SERVICES, INC.

By: ______________________
Name:
Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, all as of the date first written above.

MAIDEN REINSURANCE LTD.

By:____________________________
Name:
Title:

CAVELLO BAY REINSURANCE LIMITED

By: [signature]
Name: GUY BOWKER
Title: DIRECTOR

AMTRUST INTERNATIONAL INSURANCE, LTD.

By:____________________________
Name:
Title:

TECHNOLOGY INSURANCE COMPANY, INC.

By:____________________________
Name:
Title:

AMTRUST FINANCIAL SERVICES, INC.

By:____________________________
Name:
Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers, all as of the date first written above.

MAIDEN REINSURANCE LTD.

By:______________________________
Name:
Title:

CAVELLO BAY REINSURANCE LIMITED

By:______________________________
Name:
Title:

AMTRUST INTERNATIONAL INSURANCE, LTD.

By:______________________________
Name: Stephen Ungar
Title: Secretary

TECHNOLOGY INSURANCE COMPANY, INC.

By:______________________________
Name: Stephen Ungar
Title: Secretary

AMTRUST FINANCIAL SERVICES, INC.

By:______________________________
Name: Stephen Ungar
Title: Secretary

EXHIBIT 31.1

CERTIFICATION

I, Lawrence F. Metz certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2019

/s/ LAWRENCE F. METZ

Lawrence F. Metz
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Patrick J. Haveron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2019

/s/ PATRICK J. HAVERON

Patrick J. Haveron
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 9, 2019	By:	/s/ LAWRENCE F. METZ
		Lawrence F. Metz
		President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

Exhibit 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 9, 2019	By:	/s/ PATRICK J. HAVERON
		Patrick J. Haveron
		Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.