

ADVANTAGE
INSURANCE
HOLDINGS LTD.

**ADVANTAGE INSURANCE COMPLETES RECAPITALIZATION
AND EXPANDS BOARD OF DIRECTORS**

GRAND CAYMAN, Cayman Islands, December 3, 2013: Advantage Insurance Holdings Ltd. (“Advantage”), a leader in customized insurance solutions for businesses and individuals, announced today that it has completed a recapitalization transaction and that Tom Hutton, Bruce Shewmaker and Gary Witherspoon will join its Board of Directors. In connection with the recapitalization, Advantage contributed an additional \$45 million of cash and investments to Advantage Life & Annuity Company SPC (“Advantage Life”), the main insurance company subsidiary of Advantage.

Walter Keenan, Chief Executive Officer of Advantage said, “We are excited to have Tom, Bruce and Gary bring their considerable talents and expertise to the Advantage board. Each has highly relevant experience that will be invaluable to Advantage as we deploy new capital to support the growth of our core life insurance business.”

Tom Hutton is Managing Partner of Thompson Hutton LLC, an investment and advisement firm focused on information technology in insurance and financial services. He is the Founder and CEO of New Energy Risk, a provider of risk analytics and insurance solutions for technology performance risk in renewable energy and energy savings finance. Mr. Hutton is a past CEO of White Mountains Re, an international reinsurance company and Risk Management Solutions, Inc. He currently serves as a Director of Toa Re America and SoFi Inc. He previously served as a director of XL Group, SAFECO, Montpelier Re, and other publicly traded and private companies.

Bruce W. Shewmaker is a managing director of MVC Capital, Inc. (“MVC”) and is a senior investment professional for The Tokarz Group Advisers, LLC, MVC’s external adviser. Mr. Shewmaker also currently serves as a board member for Foliofn, Inc., Garrison Capital Inc., MVC Partners LLC, Velocitius B.V., Vestal Manufacturing Enterprises, Inc. and Harris & Harris Group, Inc. Prior to joining MVC, Mr. Shewmaker served as a managing director of E*OFFERING Corp., an investment banking firm. Mr. Shewmaker was also president and chief

executive officer of The US Russia Investment Fund and spent 10 years at Merrill Lynch & Co., Inc., where he co-founded Merrill Lynch Venture Capital, Inc.

Gary Witherspoon is associated with Copper Beech Capital, LLC (“Copper Beech”), a private investment firm in Dallas, Texas. Prior to joining Copper Beech in 2005, Mr. Witherspoon was the managing partner of Witherspoon, Yeldell & Wilson, P.C., Certified Public Accountants, which he co-founded in 1984. He is a past chairman of the board of the Ennis Regional Medical Center. From 2006 to 2011, Mr. Witherspoon was a director of and chaired the audit committee of Medicus Insurance Holdings, Inc. from its founding in 2006 until 2011. He currently serves on the boards of Compass Datacenters, LLC; ArtBanc International Ltd., Inc.; First State Bank; US Memory Care LLC and Platform Holdings Inc. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

Appointment of the new directors has been approved by the Cayman Islands Monetary Authority and will become effective on January 1, 2014. Advantage believes that each of the new directors and continuing director David Whitefield meet the applicable requirements for independence under the rules of the United States Securities and Exchange Commission and major stock exchanges.

Solomon Harris served as Cayman legal advisor to Advantage for the recapitalization. Pepper Hamilton LLP, New York, NY, served as U.S. legal advisor to Advantage.

About Advantage

Advantage Insurance Holdings Ltd., through its operating subsidiaries, provides customized insurance products and services to businesses and individuals worldwide. Founded in 1993 by Ian Kilpatrick, Advantage today serves over 200 clients and administers over \$1.3 billion of insurance assets from its headquarters in Grand Cayman and branch offices in Charleston, South Carolina and Scottsdale, Arizona. Advantage’s primary lines of business include captive insurance management, private placement life insurance and alternative risk transfer services. Additional information is available on the company’s website: www.aih.com.ky.

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