

Cornell Capital and Hudson Structured Capital Management Ltd. to Acquire Majority Stake in Vault from Allied World

Acquisition to Accelerate Vault's Rapid Growth in U.S. High-Net-Worth Insurance Market

NEW YORK and ST. PETERSBURG, Fla. – November 12, 2020 – Cornell Capital LLC, ("Cornell Capital"), a private investment firm, and Hudson Structured Capital Management Ltd., doing its re/insurance business as HSCM Bermuda ("HSCM"), an asset manager focused on alternative investments, today announced that they have entered into an agreement to acquire Vault Holdings, LLC ("Vault" or the "Company"), a fast-growing provider of personal insurance to high-net-worth clients.

Launched in October 2017, Vault offers a modern insurance experience that combines an advanced technology platform and personalized concierge service designed to meet the needs of affluent clients. The Company operates under a unique hybrid business model, acting as a reciprocal insurance exchange, managing general agent, and excess-surplus insurance provider. Vault offers customizable services and policies to insure high-value homes and cars, as well as collections of art, jewelry, wine, antiques, and memorabilia. The Company distributes its products solely through a national network of appointed agents and brokers.

Scott Carmilani, Co-Founder of Vault and former Chairman and CEO of Allied World Assurance Company Holdings, Ltd ("Allied World"), will continue to serve as Chairman of Vault's Board. The Vault leadership team, led by Co-Founder and CEO Charles Williamson, will continue to operate the business and build on the Company's success to date.

"The market demand for premium personal insurance is growing rapidly," said Mr. Carmilani. "There are more than 12 million U.S. households in our target market, up from 6.8 million in 2009, and nearly 80% of them do not currently utilize the services of a high-net-worth insurance specialist, presenting Vault with a large addressable market. With the investment by Cornell Capital and HSCM, we see significant growth potential for Vault in the underserved high-net-worth insurance market."

"I'm extremely confident in Vault's future and the balance-sheet flexibility this transaction provides," added Mr. Williamson. "By leveraging Cornell Capital and HSCM's deep industry expertise, operational capabilities, and capital resources, Vault is poised to unlock additional growth opportunities."

"In less than three years, Vault has progressed from a dynamic startup to a fast-growing disruptor," said Henry Cornell, Founder and Senior Partner of Cornell Capital. "Our team brings significant experience partnering with and growing leading insurance companies, and we look forward to working closely with Scott, Charles, and the Vault team to execute on our shared vision for continued growth. Moving forward, Vault has the potential to become an even stronger, more nimble competitor, capable of reshaping the sector, attracting and retaining top talent, and achieving market leadership in high-net-worth personal insurance."

"We were a founding investor in Vault, and our additional investment is a testament to our confidence in the Company's business model," said Michael Millette, Founder and Managing Partner of Hudson Structured Capital Management Ltd. "We are eager to build on the impressive growth and momentum that we have achieved together over the past three years."

Additional Information

Allied World will retain an indirect minority interest in Vault and support a seamless transition under an administrative services agreement and will provide reinsurance support.

The transaction is expected to close in the first quarter of 2021, subject to the receipt of required regulatory approvals and other customary closing conditions. Upon closing, Vault expects to maintain its "A-" (strong) rating from A.M. Best Company, Inc.

TigerRisk Capital Markets & Advisory is serving as financial advisor to Cornell Capital, HSCM and Vault in connection with this transaction. Debevoise & Plimpton LLP is serving as legal advisor to Cornell Capital and HSCM.

About Vault

Vault is the new standard in personal insurance for successful individuals and families, committed to delivering an unrivaled customer experience where every detail and every interaction is thoughtful and unique. Vault's proactive approach builds stronger relationships, allowing customers the luxury of feeling taken care of before a claim ever happens. The tenacity of a startup, backed by top investment firms and led by industry veterans -- Vault is quite simply a better way to think about insurance. Visit www.vault.insurance to learn more.

About Cornell Capital

Cornell Capital LLC is a U.S.-based private investment firm with over \$4.0 billion of AUM and offices in New York and Hong Kong. Partnering with strong, entrepreneurial management teams, the firm takes a value-oriented approach to investing across the consumer, financial and industrial sectors. Founder and Senior Partner Henry Cornell, who served as the Vice Chairman of Goldman Sachs' Merchant Banking Division prior to founding Cornell Capital in 2013, leads a highly-seasoned senior leadership team with decades of shared investing experience. For more information, visit www.cornellcapllc.com.

About Hudson Structured Capital Management Ltd.

Hudson Structured Capital Management Ltd. is an asset manager focused on alternative investments seeking mezzanine level returns. Our focus is on the Re/Insurance and Transportation sectors. HSCM launched in 2016 and as of November 1, 2020, has more than \$2.75 billion in assets under management and committed capital. HSCM focuses on core economic sectors that are likely to outgrow global GDP, offer low correlations with broader markets, and are experiencing a shift from balance sheet and to market financing. For more information, please visit www.hscm.com.

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