

NEWS FROM SEDGWICK



KKR to invest in Sedgwick

Memphis, Tenn., January 27, 2014 – Sedgwick Claims Management Services, Inc., a leading provider of technology-enabled claims and productivity management solutions, announced today that KKR, together with management, have signed an agreement to acquire majority ownership of Sedgwick for approximately \$2.4 billion from its current group of investors, which includes Hellman & Friedman LLC and Stone Point Capital LLC.

“We couldn’t ask for a better partner in the next stage of Sedgwick’s evolution,” said David A. North, president and CEO of Sedgwick. “KKR has an exceptional record of investing in financial services companies and will be a valuable strategic resource for our organization. We share a commitment to continued innovation in the claims and productivity management industry. My colleagues and I look forward to collaborating with KKR as we develop solutions for the changing needs of our clients.”

“This is a critical time for employers as they adjust to an evolving health care delivery model, the shifting demographics of the workforce and a multitude of additional challenges,” said Tagar Olson, Member of KKR and head of its financial services investment practice. “Sedgwick has an exceptional management team, a strong track record of innovation and the technology-driven solutions to address these challenges. We believe our partnership will enable them to maintain and enhance their leadership position in the industry.”

On an annual basis, Sedgwick handles more than 2.1 million claims and has fiduciary responsibility for claim payments totaling more than \$11 billion.

The transaction is expected to close during the first quarter of 2014, subject to customary conditions and regulatory approvals.

Equity for the investment was provided principally by KKR’s North American XI private equity fund. UBS Securities LLC, Deutsche Bank Securities, Morgan Stanley, Mizuho, KKR Capital Markets LLC and MCS Capital Markets LLC provided financing for the transaction. Simpson Thacher & Bartlett LLP and Latham & Watkins LLP provided legal counsel to Sedgwick and KKR, respectively.

About Sedgwick

Sedgwick Claims Management Services, Inc. is the leading North American provider of technology-enabled claims and productivity management solutions. Sedgwick and its affiliated companies deliver cost-effective claims, productivity, managed care, risk consulting and other services to clients through the expertise of more than 11,000 colleagues in some 200 offices located in the U.S. and Canada. The company specializes in workers’ compensation; disability, FMLA, and other employee absence; managed care; general, automobile, and professional liability; warranty and credit card claims services; fraud and investigation; structured

settlements; and Medicare compliance solutions. Sedgwick and its affiliates design and implement customized programs based on proven practices and advanced technology that exceed client expectations. For more, see www.sedgwick.com.

About KKR

Founded in 1976 and led by [Henry Kravis](#) and [George Roberts](#), KKR is a leading global investment firm with \$90.2 billion in assets under management as of September 30, 2013. With offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platform. KKR is publicly traded on the New York Stock Exchange (NYSE:KKR) and "KKR," as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate. For additional information, please visit KKR's website at www.kkr.com.

About Hellman & Friedman

Hellman & Friedman LLC is a leading private equity investment firm with offices in San Francisco, New York and London. Since its founding in 1984, H&F has raised and, through its affiliated funds, managed over \$25 billion of committed capital. The Firm focuses on investing in superior business franchises and serving as a value-added partner to management in select industries including financial services, insurance, software, business & marketing services, internet & digital media, media, healthcare and energy & industrials. For more information on H&F, visit www.hf.com.

About Stone Point Capital

Stone Point Capital is a global private equity firm based in Greenwich, Conn. Stone Point serves as the manager of the Trident Funds, which have raised more than \$10 billion in committed capital to make investments in the insurance, employee benefits and financial services industries. Stone Point has a 25-year record of making successful investments in the financial services industry, including in the insurance services sector. For further information about Stone Point, see www.stonepoint.com.

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Source: Sedgwick Claims Management Services, Inc.

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