pennsylvania
INSURANCE DEPARTMENT

December 28, 2018

Joshua P. Borden, Esquire
Eversheds Sutherland (US) LLP
1114 Avenue of the Americas
40th Floor
New York, NY 10036-7703

Via E-mail: joshuaborden@eversheds-sutherland.com

RE: Certified Reinsurer 2019 Passporting Renewal Application for Arch Reinsurance, Ltd.

Dear Mr. Borden:

The Pennsylvania Insurance Department ("Department") has completed its review of the application referenced above, filed pursuant to 31 Pa. Code § 161.3a, and dated October 4, 2018. Arch Reinsurance, Ltd. ("Arch") is domiciled and licensed in Bermuda. Our review of the submission has resulted in the following determination:

- Pursuant to 31 Pa. Code § 161.3a(c), if an applicant for certification has been certified as a reinsurer in an NAIC accredited jurisdiction, the Commissioner has the discretion to defer to that jurisdiction's certification, and has the discretion to defer to the rating assigned by that jurisdiction.

- Missouri is an accredited jurisdiction and also serves as the lead U.S. insurance regulator of Arch. The Missouri Department of Insurance has approved Arch as a certified reinsurer eligible for collateral reduction effective January 1, 2019 through December 31, 2019, with a rating as a Secure-3 (20%) reinsurer.

- Notice of receipt of the filing was published in the *Pennsylvania Bulletin* with a 30-day comment period. No public comments were received during the comment period.

- The Department hereby designates Arch as a certified reinsurer eligible for collateral reduction effective January 1, 2019 through December 31, 2019, with a rating as a Secure-3 (20%) reinsurer.

- Arch's designation as a certified reinsurer and its rating are conditioned upon Arch being domiciled and licensed in a qualified jurisdiction pursuant to 31 Pa. Code § 161.3a(a)(1). Arch is domiciled and licensed in Bermuda and Bermuda is a qualified jurisdiction.

- Arch's status for collateral reduction is contingent upon Arch maintaining full compliance with all of the provisions contained 31 Pa. Code § 161.3a, including but not limited to, submitting the annual renewal application for rating. The annual renewal application for passporting to Pennsylvania should not be submitted until the lead US regulator has issued its approval of the renewal as a certified reinsurer and ReFAWG has reviewed and concurred.

If you have any questions, please do not hesitate to contact me at (717) 783-6409 or krankin@pa.gov.

Sincerely,

Kimberly A. Rankin, Director
Company Licensing & Financial Analysis