



February 7, 2022

Mr. Steeve Jean
Chief Actuary and Chief Risk Officer
Somerset Reinsurance, Ltd.
O'Hara House, Tower II
3 Bermudiana Road
Pembroke, HM 08
Bermuda

Via E-mail: sjean@somersetre.com

RE: Designated Certified Reinsurer 2021 Passporting Application for Somerset Reinsurance, Ltd.

Dear Mr. Jean:

The Pennsylvania Insurance Department (“Department”) has completed its review of the application referenced above, filed pursuant to 31 Pa. Code § 161.3a, Received November 13, 2020 and supplemented on December 8, and December 30, 2020, respectively. Somerset Reinsurance Ltd. (“Somerset”) 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.
- Florida is an accredited jurisdiction and also serves as the lead U.S. insurance regulator of Somerset. The Florida Department of Insurance Regulation has approved Somerset as a certified reinsurer eligible for collateral reduction effective January 1, 2021 through December 31, 2021, with a rating as a Secure-5 (75%) 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 Somerset as a certified reinsurer eligible for collateral reduction effective January 1, 2021 through December 31, 2021, with a rating as a Secure-5 (75%) reinsurer.

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

- Somerset's status for collateral reduction is contingent upon Somerset maintaining full compliance with all 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 Rankin

Kimberly A. Rankin, Director
Company Licensing & Financial Analysis

Cc: Aisha Mellish, Internal Audit and Compliance Manager, via Email: amellish@somersetre.com