



February 4, 2022

Ms. Carla Whitehurst
SVP, Head of Legal, Insurance and Reinsurance
XL Bermuda Ltd
O'Hara House
P.O. Box HM 2245
One Bermudiana Road
Hamilton Bermuda HM08

Via E-mail: Carla.Whitehurst@axaxl.com

RE: 2021 Renewal Application for Designation as a Certified Reinsurer – XL Bermuda Ltd

Dear Ms. Whitehurst:

The Pennsylvania Insurance Department (“Department”) has completed its review of the application referenced above, filed pursuant to 31 Pa. Code § 161.3a, and received October 3, 2020 and amended January 12, 2021. XL Bermuda Ltd (“XL Bermuda”) 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.
- New York is an accredited jurisdiction and also serves as the lead U.S. insurance regulator of XL Bermuda. The New York Department of Financial Services (“NY DFS”) approved XL Bermuda as a certified reinsurer eligible for collateral reduction effective January 1, 2021 through December 31, 2021, with a rating as a Secure-3 (20%) reinsurer. Subsequently and pursuant to a rating change, NY DFS upgraded the rating to Secure-2 (10%) effective on a prospective basis from November 24, 2020. NY DFS conditioned this upgrade requiring XL Bermuda to post security under the previously applicable security requirements as to all contracts in force on or before the effective date of the upgraded rating. The Department concurs with these requirements.
- 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.

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- The Department hereby designates XL Bermuda as a certified reinsurer eligible for collateral reduction effective January 1, 2021 through December 31, 2021, with a rating as a Secure-2 (10%) reinsurer.
- XL Bermuda's designation as a certified reinsurer and its rating are conditioned upon the XL Bermuda being domiciled and licensed in a qualified jurisdiction pursuant to 31 Pa. Code § 161.3a(a)(1). XL Bermuda is domiciled and licensed in Bermuda and Bermuda is a qualified jurisdiction.
- XL Bermuda's status for collateral reduction is contingent upon it 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 Rankin

Kimberly A. Rankin, Director
Bureau of Company Licensing & Financial Analysis