

DEPARTMENT OF INSURANCE**Legal Division, Corporate & Regulatory Affairs Bureau**45 Fremont Street, 24th Floor
San Francisco, CA 94105Monica Macaluso
Attorney
TEL: 415-538-4118
FAX: 415-904-5896
E-Mail: Monica.Macaluso@insurance.ca.gov
www.insurance.ca.gov

August 25, 2015

VIA ELECTRONIC MAIL**Thomas.dawson@dbr.com**Mr. Thomas Dawson
Drinker Biddle & Reath, LLC
1177 Avenue of the Americas
41st Floor
New York, NY 10036SUBJECT: Validus Reinsurance Ltd., Application for Trusted Reinsurer Status in
California, IDB# 15-3173, APP-2015-00536

Dear Mr. Dawson:

The purpose of this letter is to confirm that Validus Reinsurance Ltd. ("Validus") has been granted trusted reinsurer status in California. California domiciled cedents may take statement credit for cessions to Validus in the fourth quarter of 2015 and through the first three quarters of 2016. A copy of this letter should be provided to Validus's California cedents as authority for the credit taken.

Validus's status as a trusted reinsurer will remain valid in California as long as the trust meets the requirements of section 922.4(d) of the California Insurance Code and Title 10, section 2303.5 of the California Code of Regulations. Validus must file its financial reports and list of cedents with the California Department of Insurance when it makes these filings with its domiciliary regulator.

A request to renew Validus's trusted status beyond the third quarter of 2016 should be submitted in duplicate to the Corporate and Regulatory Affairs Bureau at the above address on or before August 15, 2016. The annual renewal filing should include all information and documents required for the initial application, except there is no need to provide duplicates of financial documents already filed. The renewal request should be accompanied by a filing fee of \$1,500. Failure to timely file required documents is grounds for revocation of approval.

Validus's trusted reinsurer status permits statement credit for cessions to Validus without the collateral that would otherwise be required under California Insurance Code section 922.5 for cessions to unauthorized reinsurers. However, approval of Validus's trusted reinsurer status does not permit Validus to transact insurance business in California. Transact is defined in section 35 of the Insurance Code as follows:

Mr. Thomas Dawson

August 25, 2015

Page 2

"Transact" as applied to insurance includes any of the following:

- (a) Solicitation.
- (b) Negotiations preliminary to execution.
- (c) Execution of a contract of insurance.
- (d) Transaction of matters subsequent to execution of the contract and arising out of it.

Please feel free to contact me with any questions or concerns. Thank you for your continued cooperation.

Sincerely,



Monica Macaluso
Attorney

cc: Ms. Jing Chen, Financial Analysis Division