

**DEPARTMENT OF INSURANCE****Legal Division, Corporate Affairs Bureau**

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July 13, 2016

**VIA ELECTRONIC MAIL****thomas.dawson@dbr.com**

Mr. Thomas Dawson  
Drinker, Biddle & Reath, LLP  
1177 Avenue of the Americas, 41st Floor  
New York, NY 10036

**SUBJECT:** Validus Reinsurance (Switzerland) Ltd., Application for Trusteed Reinsurer Status in California, IDB# 16-2352, APP-2016-00551

Dear Mr. Dawson:

The purpose of this letter is to confirm that Validus Reinsurance (Switzerland) Ltd. ("VRS") has been granted trusteed reinsurer status in California effective July 1, 2016. California domiciled cedents may take statement credit for cessions to VRS. A copy of this letter should be provided to VRS's California cedents as authority for the credit taken.

VRS's status as a trusteed 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. VRS 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 VRS's trusteed status beyond the third quarter of 2017 should be submitted in duplicate to the Corporate Affairs Bureau at the above address on or before August 15, 2017. 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 trusteed reinsurer status.

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

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

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- (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