



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
LANSING

PATRICK M. McPHARLIN
DIRECTOR

June 19, 2015

Thomas Dawson
Drinker Biddle & Reath
1177 Avenue of the Americas
41st Floor
New York, NY 10036-2714

Dear Mr. Dawson:

The Michigan Department of Insurance and Financial Services recently received an application on behalf of Validus Reinsurance Ltd. requesting approval as a single assuming reinsurer maintaining a trust fund under Section 1103(2)(a)(i) of the Michigan Insurance Code ("the Code"). Section 1103 of the Code specifies the conditions, which must be met for a ceding insurer to be allowed credit for reinsurance. In determining if a ceding insurer is allowed credit for reinsurance, the statute provides that credit may be allowed when the reinsurance is ceded to an assuming insurer, which maintains a trust meeting certain conditions as specified in the statute.

The company filed information indicating that as of December 31, 2014, it met Michigan's requirements. As a result of our review of the information submitted, nothing came to our attention which would prohibit a ceding company from taking credit for reinsurance assumed by Validus Reinsurance Ltd., not to exceed the amount reported by Validus Reinsurance Ltd. It is the responsibility of the ceding insurer to confirm that Validus Reinsurance Ltd. continues to meet the requirements of the statute if the ceding insurer wishes to take credit in future periods for reinsurance ceded to Validus Reinsurance Ltd.

In order to continue its status as a single assuming reinsurer maintaining a trust fund under Section 1103(2)(a)(i) of the Code, the company must maintain compliance with all applicable statutes. Additionally, Validus Reinsurance Ltd. is required to report to the Director information substantially the same as that required to be reported by an authorized insurer pursuant to Section 438.

The information, which you provided will be kept on file at the Michigan Department of Insurance and Financial Services. If you have any questions regarding this matter, please contact Jennifer Wightman at (517) 284-8770.

Sincerely,

A handwritten signature in cursive script that reads "Judith A. Weaver".

Judith A. Weaver
Senior Deputy Director
Michigan Department of Insurance and Financial Services