FILED

FEB 16 2017

OFFICE OF
INSURANCE REGULATION
Docketed by: ______

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF: CASE NO.: 203876-17-CO

ENDURANCE SPECIALTY INSURANCE LTD.
______________________________________/

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing of an application with the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") by ENDURANCE SPECIALTY INSURANCE LTD. (hereinafter referred to as "APPLICANT") to become a Trusteed Reinsurer pursuant to Section 624.610(3)(c), Florida Statutes (hereinafter referred to as "Application"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and of the parties herein.

2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, met all of the conditions precedent to becoming a Trusteed Reinsurer in Florida, pursuant to the requirements set forth by the Florida Insurance Code.

3. APPLICANT is a stock insurer organized under the laws of Bermuda.

4. APPLICANT is one hundred percent (100%) owned by ENDURANCE SPECIALTY HOLDINGS LTD., a Bermuda-domiciled holding company whose shares are traded on the New York Stock Exchange under the symbol "ENH." The Application represents that no individual or entity owns or controls ten percent (10%) or greater of ENDURANCE SPECIALTY HOLDINGS LTD. Said representation is material to the issuance of this Consent Order.

5. APPLICANT has represented that it has reinsurance obligations to one (1) or more insurers licensed in the United States of America (hereinafter referred to as "U.S.") as a result of reinsurance ceded by those insurers (hereinafter referred to as "Ceding Insurers").

6. Section 624.610(3)(c), Florida Statutes, allows credit for reinsurance ceded to an assuming insurer that maintains a trust fund meeting specified criteria.

7. Pursuant to Section 624.610(3)(c), Florida Statutes, and Rule 69O-144.005(4), Florida Administrative Code, APPLICANT has established a trust fund in the U.S. to provide security for Ceding Insurers in Florida and to permit them to take credit in accounting and financial statements for reinsurance ceded to APPLICANT (hereinafter referred to as the "Trust"). Further, APPLICANT has entered into an agreement (hereinafter referred to as "Deed of Trust") with The Bank of New York Mellon to act as Trustee of said Trust. The Bank of New York Mellon is a member of the Federal Reserve System.

8. APPLICANT has provided to the OFFICE a copy of the Deed of Trust, as filed with the Delaware Department of Insurance, as well as documentation demonstrating that the Delaware Department of Insurance has accepted primary responsibility for regulatory oversight of the Trust.

9. APPLICANT shall at all times maintain in the Trust the minimum fund amount as required by Section 624.610(3)(c), Florida Statutes, and Rule 69O-144.005(4), Florida Administrative Code. The minimum amount shall be the sum of the amount of U.S. liabilities attributable to reinsurance ceded by U.S. domiciled insurers. In addition, APPLICANT shall maintain a trusteed surplus of not less than twenty million U.S. Dollars ($20,000,000), comprised of assets of a quality as required by Section 624.610(3)(c), Florida Statutes.

10. Pursuant to Section 624.610(3)(c), Florida Statutes, and Rule 69O-144.005(4), Florida Administrative Code, APPLICANT shall report quarterly to the OFFICE, via the OFFICE's Regulatory Electronic Filing System ("REFS"), by furnishing substantially the same information as that required by the National Association of Insurance Commissioners' annual and quarterly statement form, filed by licensed insurers. Additionally, on or before July 31st of each year, APPLICANT shall furnish to the OFFICE an annual statement certified by the Delaware Department of Insurance as of the end of the immediately preceding year, which shall include an actuarial opinion on loss and loss adjustment expense reserves.

11. APPLICANT represents that the Deed of Trust will remain in effect until such time as all Florida liabilities have been discharged.

12. The terms of the Deed of Trust between APPLICANT and The Bank of New York Mellon will not be altered or amended without the express prior written approval of the OFFICE.

13. APPLICANT and its Trust shall be subject to examination by the OFFICE at any time that the OFFICE deems necessary.

14. No later than February 28th of each year, the Trustee of the Trust shall make a written report to the OFFICE setting forth the balance in the Trust as well as a list of the Trust's

investments at the preceding year end. In this report, the Trustee shall also certify the date of termination of the Trust, if so planned, or certify that the Trust shall not expire prior to the following December 31st, in accordance with Rule 69O-144.005(4)(c)(V), Florida Administrative Code.

15. APPLICANT shall immediately notify the OFFICE in writing if the state having regulatory oversight of the trust fund changes, and include all supporting documentation with the notification.

16. APPLICANT affirms that all explanations, representations, and documents provided to the OFFICE in connection with APPLICANT's Application for Trusteed Reinsurer status, including all attachments and supplements thereto, are true and all representations and requirements set forth herein are material to the issuance of this Consent Order.

17. APPLICANT shall report to the OFFICE, Bureau of Property and Casualty Financial Oversight, any time that it is named as a party defendant in a class action lawsuit, within fifteen (15) days after the class is certified, and APPLICANT shall include a copy of the complaint at the time it reports the class action lawsuit to the OFFICE.

18. APPLICANT shall maintain an information security program for the security and protection of confidential and proprietary information under its control that complies with all applicable laws and regulations regarding information security. APPLICANT agrees that it shall continually monitor and enhance its information security program in order to mitigate data security breaches. APPLICANT further agrees that it shall notify the OFFICE within five (5) business days of identifying a data breach.

19. Executive Order 13224 prohibits any transactions by U.S. persons involving the blocked assets and interests of terrorists and terrorist support organizations. APPLICANT shall

maintain and adhere to procedures necessary to detect and prevent prohibited transactions with these individuals and entities, which have been identified at the Treasury Department's Office of Foreign Assets Control website, http://www.treas.gov/ofac.

20. Within sixty (60) days from the date of the execution of this Consent Order, APPLICANT shall submit, or cause to be submitted, to the OFFICE a certification evidencing compliance with all of the requirements of this Consent Order. Any exceptions shall be so noted and contained in the certification. Exceptions noted in the certification shall also include a timeline defining when the outstanding requirements of the Consent Order will be complete. Said certification shall be submitted to the OFFICE via electronic mail and directed to the attention of the Assistant General Counsel representing the OFFICE in this matter and as named in this Consent Order.

21. APPLICANT shall pay administrative costs in the amount of two thousand five hundred U.S. Dollars ($2,500) within thirty (30) days of execution of this Consent Order. APPLICANT shall send payment for the administrative costs to the payment address on the invoice, attached as Exhibit A.

22. The deadlines set forth in this Consent Order may be extended by written approval of the OFFICE. Approval of any deadline extension is subject to statutory or administrative regulation limitations.

23. APPLICANT affirms that all representations made herein are true and all requirements set forth herein are material to the issuance of this Consent Order.

24. APPLICANT agrees that, upon execution of this Consent Order by the OFFICE, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE revoking APPLICANT's status as a Trusteed Reinsurer in

this state, or taking other administrative action as it deems appropriate in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

25. Except as noted in this Consent Order, each party to this action shall bear its own costs and fees.

26. APPLICANT expressly waives a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which the parties may be entitled by law or rules of the OFFICE. APPLICANT hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order in any forum now available to it, including the right to any administrative proceeding, state or federal court action, or any appeal.

27. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signature of APPLICANT or its authorized representative, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically. Further, APPLICANT agrees that its signature as affixed to this Consent Order shall be under the seal of a notary public.

28. This Consent Order shall be considered effective as of December 31, 2016.

WHEREFORE, the agreement between ENDURANCE SPECIALTY INSURANCE LTD. and the OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 16 day of February, 2017.

David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, ENDURANCE SPECIALTY INSURANCE LTD., consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to bind ENDURANCE SPECIALTY INSURANCE LTD. to the terms and conditions of this Consent Order.

ENDURANCE SPECIALTY INSURANCE LTD.

By: John V. Del Col

Print Name: John V. Del Col

Title: General Counsel & Secretary

Date: February 15, 2017

[Corporate Seal]

STATE OF New York

COUNTY OF Westchester

The foregoing instrument was acknowledged before me this 15th day of February, 2017

by John V. Del Col (name of person) as General Counsel & Secretary (type of authority ... e g officer, trustee, attorney in fact)

for Endurance Specialty Insurance Ltd. (company name).

Maria Linares
(Signature of Notary Public)

Maria Linares
(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known X OR Produced Identification ______

Type of Identification Produced ________

MARIA LINARES
NOTARY PUBLIC-STATE OF NEW YORK
No. 01LI6201373
Qualified in Westchester County
My Commission Expires February 23, 2021

COPIES FURNISHED TO:

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OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

INVOICE

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment to:**

Department of Financial Services
Revenue Processing Section
P.O. Box 6100
Tallahassee, Florida 32314-6100

INVOICE NO: 17-0399

REFERENCE

NAME:	Endurance Services Ltd. Endurance Specialty Insurance Ltd.
ADDRESS:	4 Manhattanville Road, 3rd Floor
CITY, STATE, ZIP:	Purchase, NY 10577
FEID:	AA-3194130
NAIC CO CODE:	
EXAM YR END:	
CASE #:	203876-17-CO
ATTORNEY:	Jennifer Milam
SOURCE:	Property & Casualty Financial Oversight

Fine Due:	***$***	***0.00***
Costs Due:	***$***	***2,500.00***
Total Amount Due:	***$***	***2,500.00***

Amount Remitted:

OFFICIAL USE ONLY – PLEASE DO NOT MARK BELOW THIS LINE

B/T	T/C	F/T	AMOUNT
C	0113- P&C	J	
C	1249- Attorney's fees	J	

EXHIBIT A