



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

November 2, 2015

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Advanced Via E-Mail

Fran S. Marsala
Assistant Vice President, Compliance Manager
Endurance Services Limited
4 Manhattanville Road
Purchase, New York 10577

Re: Endurance Specialty Insurance Ltd. – Authorized Reinsurer Status in Wisconsin.

Dear Ms. Marsala:

Effective November 2, 2015, Endurance Specialty Insurance Ltd (ESIL) has been approved as a Wisconsin authorized reinsurer pursuant to Section Ins. 52.02 (4), Wis. Adm. Code,

In ESIL's application, you provided a Deed of Trust and a Reduced Collateral Deed of Trust. Wisconsin has not yet adopted the Credit for Reinsurance Model Act that allows reduced collateral. As a result, any reinsurance assumed from Wisconsin domiciled companies needs to be covered by the Deed of Trust.

Also, in Article 2.13 of the Deed of Trust, the trustee has various requirements to meet in certifying the value of the trust fund. If the trustee has not received a notice that the trust fund will be terminated, the trustee shall state that such notice was not received by the trustee and that the trust fund will not expire prior to December 31. This requirement was not met in the trust fund statement submitted with the application. Please inform the trustee to meet this requirement in future quarterly trust fund statement filings.

In addition, your letter stated that ESIL intends to consolidate the assets held in Montpelier Re's multibeneficiary reinsurance trust with the Trust Agreement, once ESIL has obtained the necessary regulatory recognition as a certified, accredited or trustee reinsurer. When that situation occurs, please be aware that it needs to be reported by **both** companies to the State of Wisconsin pursuant to s. 618.32, Wis. Stat.

Finally, for ESIL to maintain its authorized reinsurer status, the company must provide the following information each year.

- Annual Statutory Statement
- Annual Audited Statement

Please contact me if you have questions.

Sincerely,

Thomas C. Hilger

Thomas C. Hilger
Insurance Financial Examiner
Financial Analysis and Examinations Bureau
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November 2, 2015