Certified Reinsurer information

Pursuant to RI Insurance Regulation 59 any unauthorized assuming insurer or any alien group of insurers that meets the Department’s requirements may qualify as a Certified Reinsurer. Depending on the financial strength rating granted by the Department, a Certified Reinsurer will be allowed to post less than 100% collateral and still enable an authorized insurer to qualify for full reserve credit with respect to reinsurance contracts renewed or entered into on or after January 1, 2014, or the date the reinsurer becomes certified.

<table>
<thead>
<tr>
<th>Financial Strength Rating granted by the Department</th>
<th>Minimum Amount Withheld for Full Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure-1</td>
<td>0%</td>
</tr>
<tr>
<td>Secure-2</td>
<td>10%</td>
</tr>
<tr>
<td>Secure-3</td>
<td>20%</td>
</tr>
<tr>
<td>Secure-4</td>
<td>50%</td>
</tr>
<tr>
<td>Secure-5</td>
<td>75%</td>
</tr>
<tr>
<td>Vulnerable-6</td>
<td>100%</td>
</tr>
</tbody>
</table>

Initial and annual filing requirements to qualify as Certified Reinsurer

1. Company submits an initial application and shall pay an application filing and processing charge based on the actual cost and expenses incurred by the RI Insurance Division in reviewing the certification request pursuant to RI General Laws §27-13.1-7. On or before the first day of July, a processing charge of $1,000 shall be paid and an annual filing shall be made for each year thereafter for renewal.

2. Company must be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction.

3. Company maintains capital and surplus, or its equivalent, of no less than $250,000,000, calculated in accordance with Section 8 (B.3.b) of Regulation No. 59.

4. Company maintains a financial strength rating from two or more acceptable rating agencies. The ratings shall be based on interactive communication between the rating agency and the assuming insurer. An acceptable rating agency is: (1) Standard & Poor’s (S&P); (2) Moody’s Investors Service (Moody’s); (3) Fitch Ratings (Fitch); (4) A.M. Best Company (Best); or (5) any other nationally recognized statistical rating organization acceptable to the superintendent.

5. An assuming insurer applying to be a certified reinsurer shall agree to post 100 percent security upon the entry of an order of rehabilitation, liquidation or conservation against the ceding insurer for the benefit of the ceding insurer or its estate.
6. For a certified reinsurer domiciled in the United States, the most recent applicable NAIC Annual Statement Blank, and either Schedule F (for a property/casualty reinsurer) or Schedule S (for a life or health reinsurer).

7. For a certified reinsurer not domiciled in the United States, the most recent Form CR-F (for a property/casualty reinsurer) or Form CR-S (for a life or health reinsurer), as such forms shall be prescribed by the superintendent.

8. Disclose past, current or pending regulatory actions against the certified reinsurer.

9. Provide a list, by cedent, of all overdue reinsurance claims payable that are more than 90 days past due or are in dispute regarding reinsurance assumed by the applicant from U.S. domestic ceding insurers. Identify whether any of the listed cedents are in administrative supervision or receivership.

10. Provide report of the independent auditor on the financial statements of the certified reinsurer.

11. For a certified reinsurer not domiciled in the United States, audited financial statements, (i.e., audited United States GAAP basis if available; audited IFRS basis statements including an audited footnote reconciling equity and net income to a United States GAAP basis; or with the permission of the superintendent, audited IFRS statements with reconciliation to United States GAAP certified by an officer of the company), regulatory financial statement filings, and actuarial opinion as filed with the non-United States jurisdiction supervisor. Upon the initial application for certification, the insurer shall provide the superintendent with audited financial statements filed with its non-United States jurisdiction supervisor for at least the previous three years.

12. Disclose the liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding.

13. Disclose a certified reinsurer's past or current participation in any solvent scheme of arrangement, or similar procedure that involves United States ceding insurers. A certified reinsurer that proposes participation by the certified reinsurer in a solvent scheme of arrangement shall provide the superintendent with prior notice of such scheme as early as practicable.

14. Submit a properly executed Form CR-1 on a form prescribed by the superintendent as evidence of its submission to the jurisdiction of this state.

15. Submit a certification from its domestic regulator that the certified reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level.

16. The reinsurer must agree that all reinsurance contracts will include the provisions of Section 14 of Regulation No. 59 of the Insurance Division of the Rhode Island Department of Business Regulation.

17. Company must provide a statement that it agrees to submit such other information that the Superintendent may reasonably require in accordance with Section 8 (B.3.d) of RI Insurance Regulation 59.