



FILED

NOV 4 2010

OFFICE OF  
INSURANCE REGULATION

Deeketed by:                     

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 113207-10-CO

PARTNER REINSURANCE COMPANY LTD.  
\_\_\_\_\_ /

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing of an application by PARTNER REINSURANCE COMPANY LTD. (hereinafter referred to as "APPLICANT") with the OFFICE OF INSURANCE REGULATION (hereinafter referred to as the "OFFICE") for approval as a Trusteed Reinsurer, pursuant to Section 624.610(3)(c), Florida Statutes. 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 the granting of approval as a Trusteed Reinsurer in Florida, pursuant to the requirements set forth for such approval by the Florida Insurance Code.
3. APPLICANT is a stock insurance company organized and existing under the laws of Bermuda.

4. APPLICANT is one hundred percent (100%) owned and/or controlled by PARTNERRE LTD., a stock insurer organized and existing under the laws of Bermuda whose stock is publicly traded on the New York Stock Exchange. The application represents that no individual or entity owns and/or controls ten percent (10%) or greater of PARTNERRE LTD.

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 such 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, in order to allow CEDING INSURERS in the state of Florida to take credit in accounting and financial statements for reinsurance ceded to APPLICANT, APPLICANT has established a trust fund in the U.S. to provide security for said CEDING INSURERS. 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 fund. 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 State of New York Insurance Department. Further, the State of New York Insurance Department has provided the OFFICE with documentation accepting primary responsibility for regulatory oversight of the trust fund.

9. APPLICANT shall maintain at all times the minimum trust fund amount, as required by Section 624.610(3)(c), Florida Statutes, and Rule 69O-144.005(4), Florida Administrative Code, which shall mean the sum of the amount of U.S. liabilities attributable to

reinsurance ceded by U.S. domiciled insurers, and, in addition, APPLICANT shall maintain a trustee 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. APPLICANT shall comply with Section 624.610(3)(c), Florida Statutes, and Rule 690-144.005(4), Florida Administrative Code, and report annually to the OFFICE by furnishing substantially the same information as that required by the National Association of Insurance Commissioners' annual statement form, filed by licensed insurers. On or before July 31<sup>st</sup> of each year, a certified annual statement as of the end of the immediately preceding year shall be furnished to the OFFICE and shall include an actuarial opinion on loss and loss adjustment expense reserves.

11. APPLICANT represents that the DEED OF TRUST shall remain in effect until such time as all Florida liabilities shall have been discharged.

12. The terms of the DEED OF TRUST between APPLICANT and The Bank of New York Mellon shall not be altered or amended without the express written approval of the OFFICE.

13. APPLICANT and its trust fund shall be subject to examination by the OFFICE at any time the OFFICE may deem necessary.

14. No later than February 28<sup>th</sup> of each year, the Trustee of the trust shall report to the OFFICE in writing, setting forth the balance in the trust and listing the trust's investments at the preceding year end, and shall certify the date of termination of the trust, if so planned, or certify that the trust shall not expire prior to the following December 31<sup>st</sup>, in accordance with Rule 690-144.005(4)(c)(V), Florida Administrative Code.

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

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. Executive Order 13224, signed by President George W. Bush on September 23, 2001, blocks the assets of terrorists and terrorist support organizations identified by the United States Department of the Treasury, Office of Foreign Assets Control. The Executive Order also prohibits any transactions by U.S. persons involved in the blocked assets and interests. The list of identified terrorists and terrorist support organizations is periodically updated at the Treasury Department's Office of Foreign Assets Control website, <http://www.treas.gov/ofac>. APPLICANT shall maintain and adhere to procedures necessary to detect and prevent prohibited transactions with individuals and entities which have been identified at the Treasury Department's Office of Foreign Assets Control website.

19. 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, circuit or federal court action, or any appeal.

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

21. APPLICANT shall report to the OFFICE within sixty (60) days from the date of the execution of this Consent Order 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.

22. APPLICANT shall pay within thirty (30) days of execution of this Consent Order, two thousand, five hundred U.S. Dollars (\$2,500) for legal costs associated with this Consent Order.

23. 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.

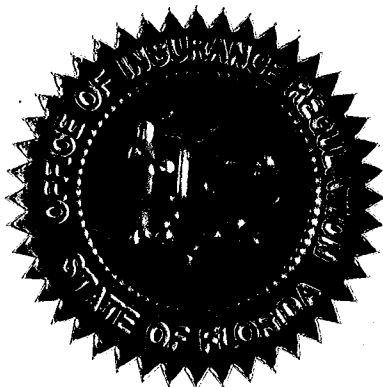
24. APPLICANT agrees that, upon execution of this Consent Order by the OFFICE, failure to adhere to one or more of the terms and conditions contained herein, shall result, without further proceedings, in the revocation of APPLICANT's status as a Trusteed Reinsurer in this state, or in other administrative proceedings in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.


25. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has executed 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.

WHEREFORE, the agreement between PARTNER REINSURANCE COMPANY LTD. and the OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the application for Trusteed Reinsurer status of PARTNER REINSURANCE COMPANY LTD., pursuant to Section 624.610(3)(c), Florida Statutes, is APPROVED.

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

DONE and ORDERED this 4<sup>th</sup> day of November, 2010.



  
Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

By execution hereof, PARTNER REINSURANCE COMPANY 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 PARTNER REINSURANCE COMPANY LTD. to the terms and conditions of this Consent Order.

PARTNER REINSURANCE COMPANY LTD.

By: [Signature]

Print Name: Patrick Thiele

Title: President + Chief Executive Officer

Date: November 2, 2010

CITY OF Hamilton

COUNTRY OF Bermuda

The foregoing instrument was acknowledged before me this 2nd day of November, 2010

by Patrick Thiele as President + Chief Executive Officer  
(name of person) (type of authority .... e.g. officer, trustee, attorney in fact)

for Partner Reinsurance Company Ltd.  
(company name)

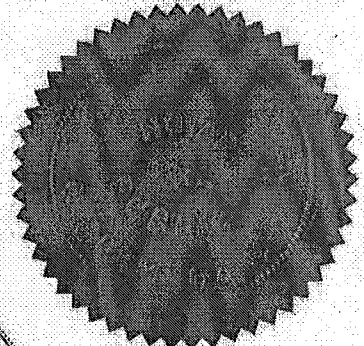
[Signature]  
(Signature of Notary Public)

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

Personally Known  OR Produced Identification

Type of Identification Produced \_\_\_\_\_

Jean-Paul Dyer  
Notary Public  
Wellesley House South  
90 Pitts Bay Road  
Pembroke HM 08  
Bermuda



COPIES FURNISHED TO:

**PATRICK A. THIELE, PRESIDENT & CHIEF EXECUTIVE OFFICER**

Partner Reinsurance Company Ltd.

Wellesley House South

90 Pitts Bay Road

Pembroke HM 08, Bermuda

Telephone: (414) 292-0888

Facsimile: (414) 292-7010

**THOMAS M. DAWSON**

Dewey & LeBoeuf LLP

1301 Avenue of the Americas

New York, NY 10019-6092

Telephone: (212) 259-8011

Facsimile: (212) 649-9368

Email: tdawson@dl.com, kwoodeshick@deweyleboeuf.com

**ELIZABETH ("LIBBY") THOMSON, FINANCIAL ADMINISTRATOR**

Bureau of Property and Casualty Financial Oversight

Office of Insurance Regulation

200 East Gaines Street

Tallahassee, Florida 32399-0329

E-Mail: elizabeth.thomson@flor.com

**JIM H. SMITH, CFE**

REINSURANCE/FINANCIAL SPECIALIST

Property & Casualty Financial Oversight

Office of Insurance Regulation

200 East Gaines Street

Tallahassee, Florida 32399-0329

E-Mail: jim.smith@flor.com

**LEEAN JOHNS, ASSISTANT GENERAL COUNSEL**

Legal Services Office

Office of Insurance Regulation

200 East Gaines Street

Tallahassee, Florida 32399-4206

Telephone: (850) 413-4108

E-mail: leean.johns@flor.com





FINANCIAL SERVICES  
COMMISSION

CHARLIE CRIST  
GOVERNOR

ALEX SINK  
CHIEF FINANCIAL OFFICER

BILL MCCOLLUM  
ATTORNEY GENERAL

CHARLES BRONSON  
COMMISSIONER OF  
AGRICULTURE

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
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

REFERENCE

NAME: Partner Reinsurance Company Ltd  
ADDRESS: 90 Pitts Bay Road  
CITY, STATE, ZIP: Pembroke HM 08, Bermuda  
FEID: n/a  
NAIC COCODE: n/a  
EXAM YR END:  
CASE #: 113207-10-CO  
ATTORNEY: Leean Johns  
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

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	0113- P&C Solv	J	
C	1249 - ATTORNEY'S FEES	J	