

STATE OF MAINE
BUREAU OF INSURANCE
DOCKET NO. INS-18-220

IN RE Arbor Re LLC)	
)	
)	AMENDED AND
)	RESTATED CONSENT
)	AGREEMENT FOR
)	CONDITIONAL
)	LICENSURE

Arbor Re LLC (“ARR” or “the Captive”), the Maine Superintendent of Insurance, and the Maine Office of the Attorney General hereby enter into this Amended and Restated Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, issues arising out of ARR’s application for licensure by the Superintendent as a pure captive insurance company.

This Amended and Restated Consent Agreement replaces the Consent Agreement previously executed by the parties on September 28, 2018 (the “Initial Agreement”).

STIPULATIONS

The Superintendent is the official charged with administering and enforcing Maine’s insurance laws, including the Captive Insurance Act, 24-A M.R.S. Chapter 83 (“the Act”).

ARR applied to the Superintendent for authorization to establish and operate a pure captive insurance company in the State of Maine pursuant to the Act, and the application was granted on September 28, 2018.

In its application, ARR requested authority to <<confidential information redacted>>. Under the Initial Agreement, the request was granted, effective October 1, 2018, except as to <<confidential information redacted>>, for which authority was provisionally granted effective December 1, 2018.

ARR commenced business on October 1, 2018, as authorized by the Initial Agreement, and based on the additional information provided by ARR regarding <<confidential information redacted>>, the Superintendent has determined that ARR has complied with the requirements of the Act.

Since the Initial Agreement, the Superintendent has determined that certain changes to the COVENANTS are appropriate. Accordingly, ARR shall be subject to the conditions stated below:

COVENANTS

The parties agree to the following:

- A. Initial surplus shall consist of <<confidential information redacted>>.
- B. The Captive is authorized to write <<confidential information redacted>>, commencing on October 1, 2018, for the <<confidential information redacted>> coverages.
- C. For the <<confidential information redacted>> coverages, the Captive shall at all times maintain, in addition to the initial surplus, an amount no less than <<confidential information redacted>>. For the initial year of operations, projected losses have been determined to be <<confidential information redacted>>.
- D. The Captive is authorized to commence <<confidential information redacted>> as of December 1, 2018.
- E. For the <<confidential information redacted>> line, the Captive shall at all times maintain, in addition to the initial surplus and the loss reserves required for other lines of business under Covenant C, an amount no less than <<confidential information redacted>>. For the initial year of operations, projected losses have been determined to be <<confidential information redacted>>.
- F. <<confidential information redacted>>.
- G. The Captive will provide <<confidential information redacted>> claim loss reports, by line of business, on a format prescribed by the Superintendent. <<confidential information redacted>>.
- H. The Captive will provide advance notice and will need the Superintendent's prior authorization for any dividends, surplus distributions, or withdrawals for anything other than claim payments and claim-related expenses.
- I. The Captive will at all times comply with the requirements for operation as a pure captive insurance company as defined in 24-A M.R.S. § 6701(11). The Captive will provide advance notice and will need the Superintendent's prior authorization for the addition of any new members.

J. Final executed copies of the policies, the bylaws, and the charter shall be filed in a form acceptable to the Superintendent on or before January 1, 2019.

K. A formal hearing in this matter is waived and no appeal will be taken.

L. The Superintendent agrees to issue a captive insurance company license to ARR, and ARR agrees that the Superintendent has the discretion to revoke or suspend its captive insurance company license, or place ARR on probation, if ARR fails to comply with its obligations under this Consent Agreement.

MISCELLANEOUS

1. ARR understands and acknowledges that this Agreement is a public record within the meaning of 1 M.R.S.A. §402 and will be available for public inspection and copying as provided for by 1 M.R.S.A. §408.

2. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.

November 16, 2018

// s //
Arthur Batson III, Director
Arbor Re LLC

Subscribed to before me this 16th day of November, 2018.

// s //
Kathryn Buxton
Notary Public

My Commission Expires: September 24, 2022

November 19, 2018

// s //
Eric A. Cioppa
Superintendent of Insurance

November 19, 2018

// s //
Thomas Sturtevant
Assistant Attorney General